Government of Saskatchewan

Saskatchewan
Into the Eighties

Sask
Finance

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[Economy - Saskatchewan]

Saskatchewan

Into the Eighties

1980?

Foreword

Allan E. Blakeney
Premier

Ed Tchorzewski
Minister of Finance

In 1905, Saskatchewan became the eighth province of Canada. Until recently, our economy has been almost totally dependent on agriculture. Saskatchewan's economic fortunes varied with the weather and with world market demands for our farm products.

Over the past decade, our economy has expanded and diversified. As we head into the eighties, we can look forward with confidence to the continued growth of our agricultural sector, combined with exciting new developments in our resource industries.

1980 marks the celebration of Saskatchewan's 75th Anniversary as a Canadian province. We are celebrating this year by remembering our past, and planning for our future.

We are optimistic about our Province, and encouraged by its prospects for steady growth.

101-03336/

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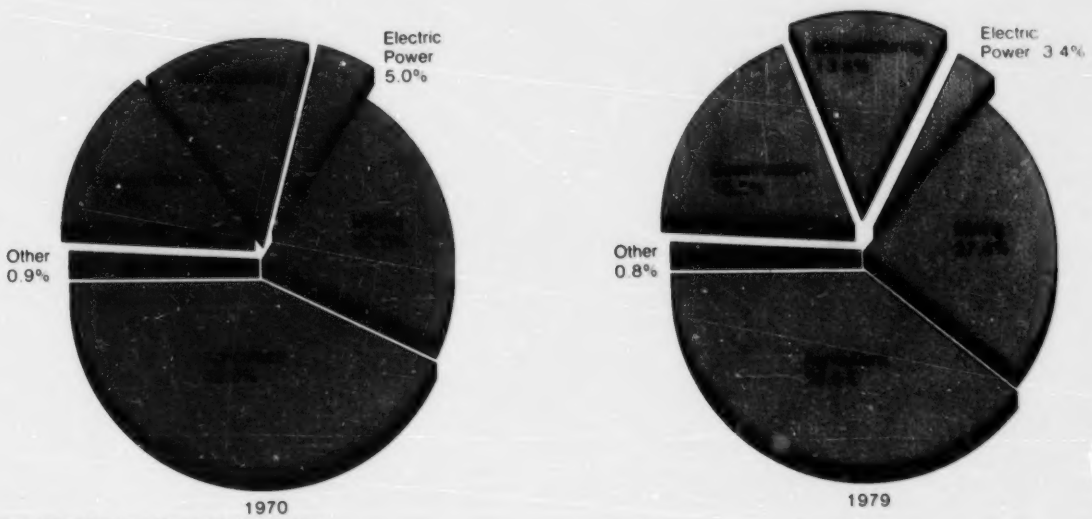
Saskatchewan *A Diversified Primary Producer*

Distribution of Net Value of Production*
Saskatchewan, 1970 and 1979



**Measured by Census Value Added in goods — producing industries.*
Source: Statistics Canada.

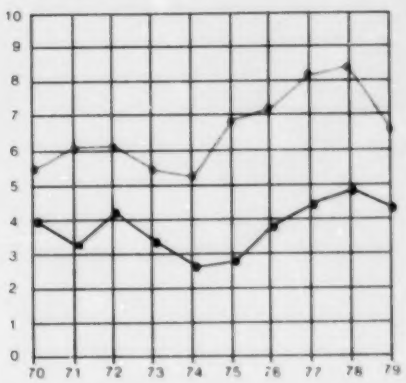
Saskatchewan is an important supplier of many primary products, producing 60 per cent of Canada's wheat, a third of its oats and barley, and 30 per cent of its oilseeds. It is the second largest supplier of potash in the world, produces over 30 per cent of Canada's uranium, and is the nation's second largest producer of oil.

This range of productive activity represents a major departure from the Province's historical dependence on one export commodity — wheat. The fertile open prairies attracted settlers who established Saskatchewan as a major world food source by growing and selling the Province's most famous product — hard red spring wheat. Near-exclusive reliance on a single crop, however, brought large and frequently abrupt fluctuations in output and income, variable revenues, and periodic outflows of population, which persisted into the 1970's.

The transformation from a narrow to a broadly based export economy is to a significant degree due to the conscious efforts of the Government of Saskatchewan to pursue an aggressive policy of diversification — to promote stability, to produce jobs and income opportunities, and to gain benefits for Saskatchewan residents from resource development.

An important instrument of this strategy has been direct investment by the Province in the economy, through a number of wholly owned commercial entities called Crown corporations. Saskatchewan's Crown corporations are active in utilities, resource development, financial and other services. With assets totalling $3,449 million in 1979, they will continue to play a leading role in Saskatchewan's economic development.

Unemployment Rate
Canada and Saskatchewan
(percentage of labour force)



Source: Statistics Canada

Note: All dollar figures are in Canadian currency.

Saskatchewan
Distances* to Major Cities

Statistics

Population
- 965,300 (January 1, 1980)

Major Centres
- Regina
  - capital of Saskatchewan
  - 160,000 population (1978)
- Saskatoon
  - centre for Saskatchewan's resource-based industries
  - 139,200 population (1978)

Population Density
- 1 person per 0.68 sq. km.

Rural Population
- 44%

Urban Population
- 56%

Area
- Land
  - 570,269 sq. km. (220,182 sq. mi.)
- Freshwater
  - 81,631 sq. km. (31,518 sq. mi.)
- Total
  - 651,900 sq. km. (251,700 sq. mi.)

Commercial Forest Area
- 150,000 sq. km. (58,000 sq. mi.)

History

In the late 17th century, Canada's prairies and the indigenous Indian peoples, were visted by the English explorer, Henry Kelsey. Economic enterprise centred around the fur trade and the buffalo hunt until the latter half of the 19th century.

Immigration was spurred on by the completion of the transcontinental railway in 1885, and the promise of land grants to settlers who would farm the vast plains. Saskatchewan prospered as a grains-producing region, and in 1905 achieved provincial status.

Agriculture continues to be Saskatchewan's main industry. However, since the 1950's, resource industries have assumed an increasingly important role in the diversification of the provincial economy.

Geography

Saskatchewan is one of Canada's four Western Provinces, bounded by Manitoba on the east and Alberta on the west. The Province extends from the border with the United States of America at the forty-ninth parallel to Canada's Northwest Territories at the sixtieth parallel.

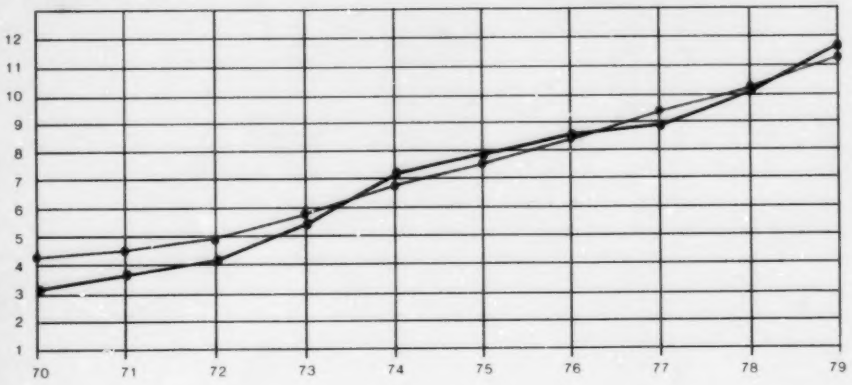
Saskatchewan can be divided into four major geographical zones. The northern third of the Province is a rugged area known as the Precambrian Shield — sparsely populated, and covered by lakes, rivers, and extensive forest growth. The Shield merges into a heavily forested area of glacial deposits known as the Commercial Forest Region. Further south is a mixed agricultural zone known as the Parklands, which graduates into the rich grain-growing lands of the Great Continental Plain.

Most of Saskatchewan's population lives in the southern one-third of the Province.

The climate is northern with large seasonal variations in temperature, and moderate to low levels of precipitation.

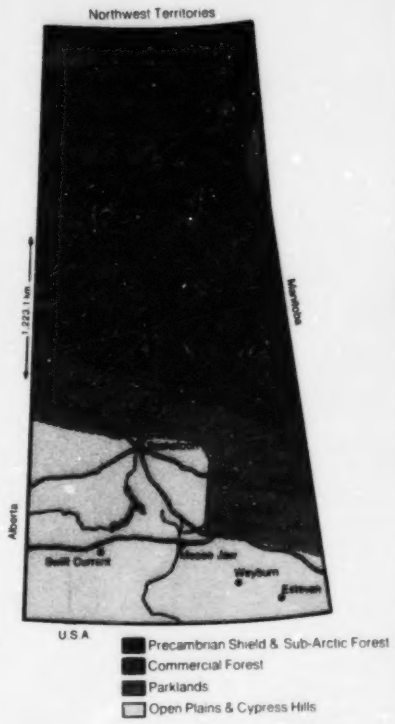
Per Capita
Gross Domestic Product
Canada and Saskatchewan

(Thousands of Dollars)



Source: Saskatchewan Bureau of Statistics
Statistics Canada

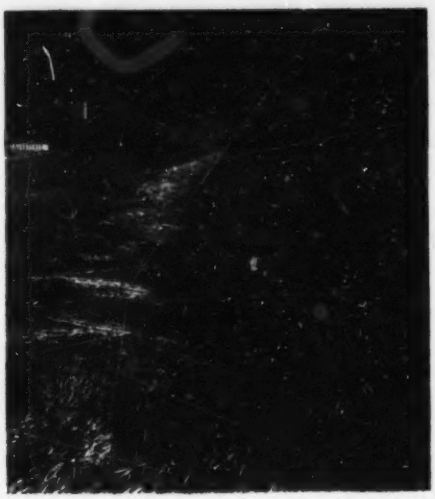
Saskatchewan Topographical Zones



The results of the strategy may be seen in many areas. Agriculture's share of the net value of goods production in the Province fell from 43 per cent in 1970 to 37 per cent in 1979, while mining's share rose from 23 per cent to 27 per cent. The population has risen to its highest level ever: 965,300 people, as of January 1, 1980. Saskatchewan's unemployment rate has consistently ranked among the lowest in Canada. And natural resource revenues accruing to the Province have risen nineteen-fold since 1970.

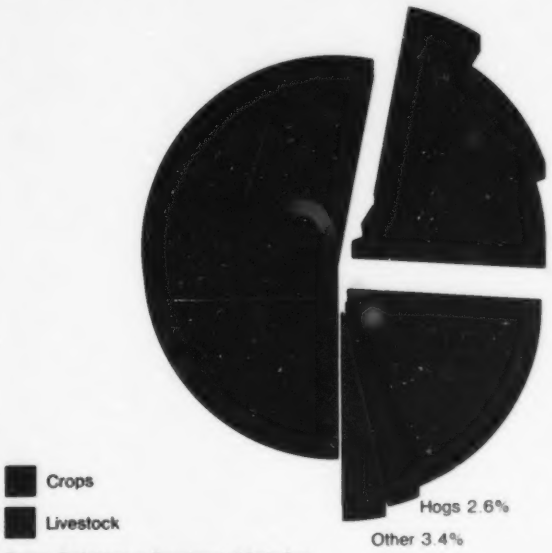
During the last decade, Saskatchewan has become one of Canada's growth centres. Increases in both the value and quantity of exports have produced an upsurge in investment, exploration and construction activity. The value of Saskatchewan's exports has risen more than four-fold during the past decade. The rate of growth of Gross Domestic Product in Saskatchewan has outstripped the Canadian average, increasing from $3,030 million in 1970 to $11,068 million in 1979. Investment in the Province during the same period has risen 25 per cent faster than investment in Canada as a whole.

Aggressive development of Saskatchewan's natural assets, combined with careful fiscal management and progressive social initiatives, provide a sound basis for confidence in the Province's future through the 1980's.



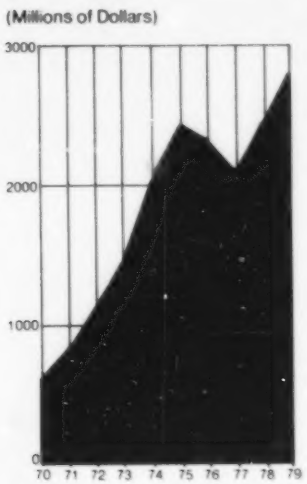
Agriculture *The Largest Industry*

Distribution of Farm Cash Receipts by Commodity, Saskatchewan, 1979



Source: Saskatchewan Department of Agriculture

Farm Cash Receipts, Saskatchewan



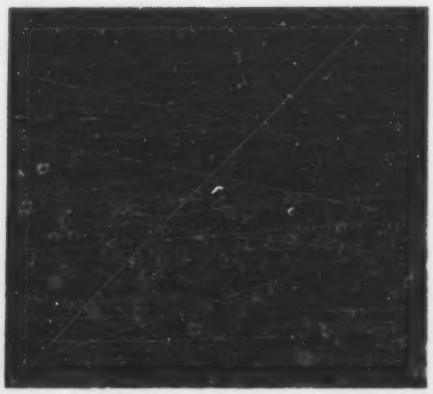
Source: Statistics Canada

Agriculture remains Saskatchewan's largest single source of economic activity. In 1979, it generated one-eighth of personal income, provided jobs for almost one-quarter of the labour force, and accounted for over 25 per cent of all public and private investment in the Province. There are 70,000 farms in Saskatchewan, averaging 950 acres (385 hectares) in size. Agriculture is an important market and source of raw materials for many of the Province's manufacturing industries, and provides the economic base for most of Saskatchewan's towns and villages.

Farm cash receipts quadrupled between 1970 and 1979 as a result of rising prices for Saskatchewan's principal farm products and increased production of most crops. Sales of wheat accounted for one-half of 1979 farm cash receipts, which amounted to an estimated $2,820 million. Other grains and livestock contributed one-quarter each of total receipts.

With almost 50 per cent of Canada's improved farmland, Saskatchewan's grain production continues to dominate Canadian markets, and provides over 12 per cent of the world's bread wheat exports. The Province supplies over 25 per cent of Canada's beef feeder stock, and enjoys an international reputation as a source of top quality beef and hog breeding animals.

Comprehensive Stabilization Programs Developed



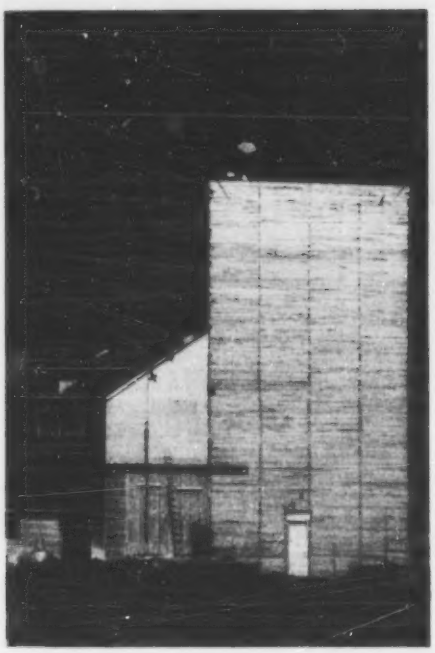
Despite the diversification which has occurred in the industry in recent years, agriculture is subject to variations in weather and international market conditions. To minimize the impact of these fluctuations, the Canadian and Saskatchewan governments provide a comprehensive range of programs to stabilize agricultural prices and farm incomes. The most important include the Western Grain Stabilization Program, the Prairie Grain Cash Advance Program, the Canadian Agricultural Stabilization Program, the Saskatchewan Crop Insurance Corporation, and the Canadian Two-Price Wheat Act.

Together with the activities of agencies such as the Canadian Wheat Board, these programs contribute substantially to the long-term health and stability of Saskatchewan agriculture. Stabilization measures include:

- crop insurance against the effects of adverse weather conditions;
- guaranteed minimum income for grain farmers at average level of previous five-years;
- guaranteed returns from pooled sales of wheat, oats and barley. Initial prices for pooled grains are held constant over crop year, with subsequent adjustment payments;
- interest-free loans to producers of pooled grains secured by on-farm inventories;
- domestic floor and ceiling prices for durum and bread wheat;
- price supports for dairy products;
- income stabilization programs for the livestock industry;
- orderly marketing of a number of agricultural commodities through product Marketing Boards.

In addition to these income stabilizing measures, programs have been established to maintain the number of farms, stabilize the rural population, encourage young farmers to enter the industry, and expand agricultural production. The Province has a Land Bank Program to provide a land base for new farmers, and a FarmStart Program to provide low-interest credit to producers wishing to diversify their production. Counselling and technical information is provided to farmers on an individual basis.

New Opportunities For Growth



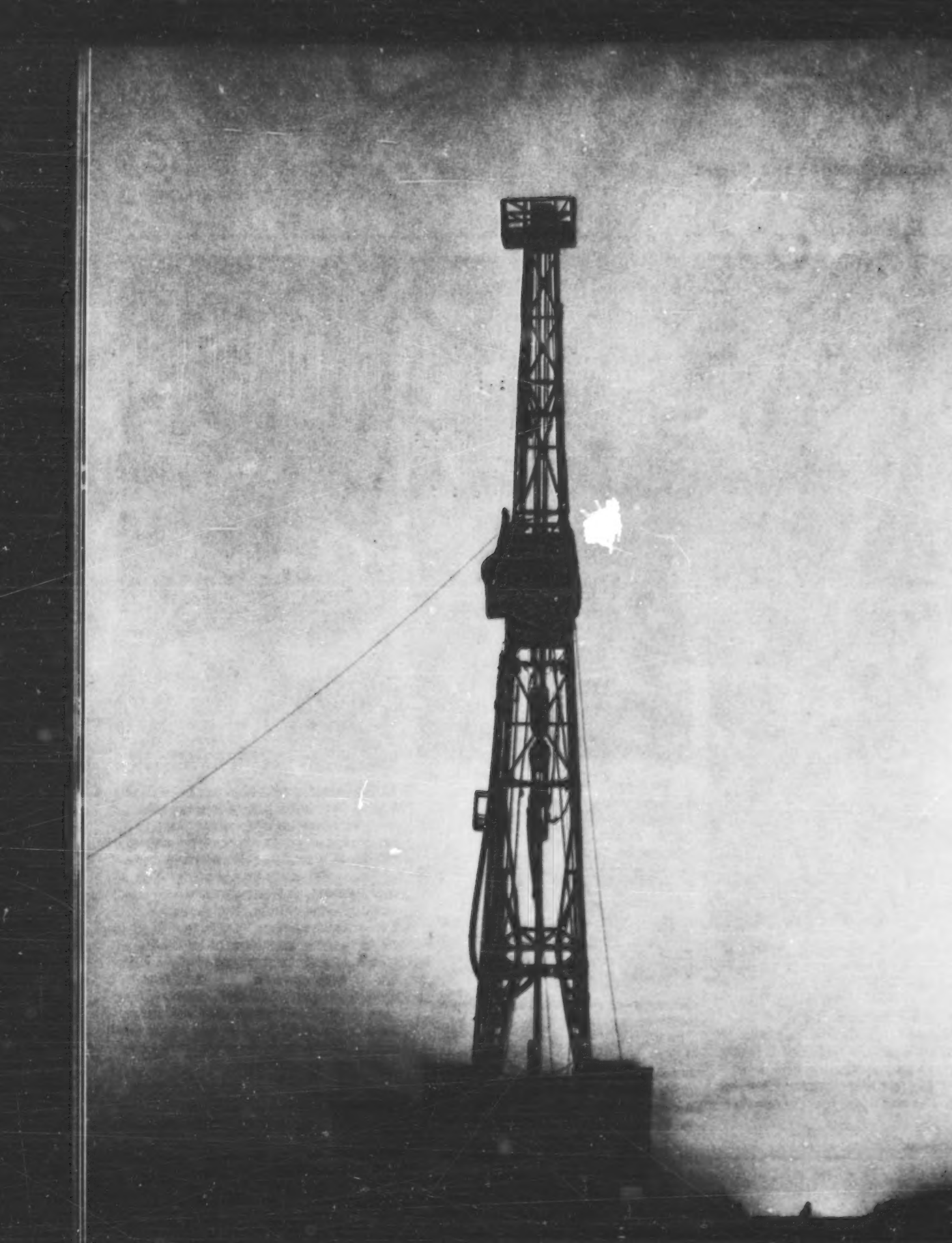
Population increases have doubled the world market for cereal grains during the last decade. As the global population continues to grow at the rate of 75 million people per year, the world will require as much additional food each year as Canada now produces annually. Twenty years ago, Canada sold one-sixth of its grain to developing countries. Today, that share has risen to one-half.

In response to world demand, the Canadian Wheat Board has established a national grain export target which calls for the export of 30 million tonnes annually by 1985. This target, which is based on maintaining Canada's historical share of world markets, represents a 50 per cent increase over current export levels. For the present, Saskatchewan's efforts to reach the target are limited by the existing capacity of the national grain transport and handling system.

A number of initiatives taken recently will help to overcome this constraint. The provincial government has ordered 1,000 grain hopper cars to be added to the system in 1980. The Canadian government has committed itself to add a further 2,000 hopper cars, while the Provinces of Alberta and Manitoba have

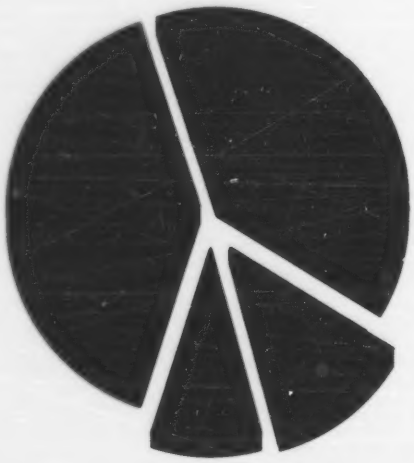
also undertaken to provide additional rolling stock. The grain handling capacity at the port of Vancouver, British Columbia has been enlarged, and a consortium of six grain companies plans construction of a new terminal at Prince Rupert, British Columbia.

As the capacity of the transportation system increases, Saskatchewan will put greater emphasis on raising grain production in the Province. Production will be increased by more efficient use of the land resource through improvements in tillage systems, extended use of crop rotation, and further research activities. These developments are expected to provide a stimulus to farm diversification, by encouraging the production of special crops and forage for use in extended crop rotations. For Saskatchewan, rising world demand for food represents an opportunity for new growth in its traditional economic base.



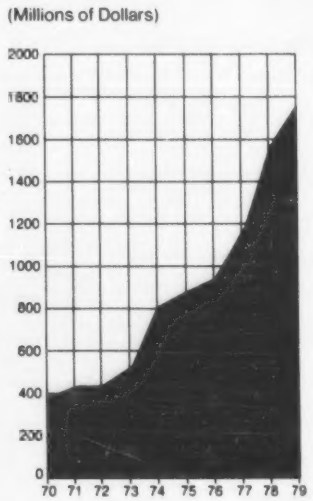
Resource Industries *Key To Diversification*

Distribution of Value of Mineral Shipments Saskatchewan, 1979



Source: Statistics Canada
Saskatchewan Mineral Resources
Note: Components do not add to 100% due to rounding

Value of Mineral Shipments, Saskatchewan



Source: Statistics Canada and
Saskatchewan Mineral Resources

Mineral development has become a major part of the economic activity of the Province, second only to agriculture in terms of its contribution to Gross Domestic Product. The value of mineral shipments rose from $390 million in 1970 to more than $1,795 million in 1979. The remarkable growth of the mineral industry in Saskatchewan can be attributed to the development of crude oil, potash and uranium. Rapid expansion of crude oil production took place in the 1950's. Potash production began in the early 1960's and has grown steadily during the last decade. Uranium, which has been mined in Saskatchewan since the early 1950's, is now entering a phase of development of extraordinarily rich deposits. Coal, sodium sulphate, natural gas and a variety of other metals and non-metallic minerals are also produced in the Province.

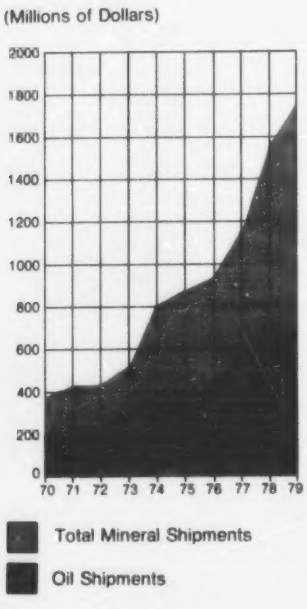
Ownership of mineral rights in Saskatchewan is vested largely in the provincial government, which has taken an active role in resource development. Its wholly owned Crown corporations, principally the Potash Corporation of Saskatchewan (PCS), Saskatchewan Oil and Gas Corporation (Saskoil) and the Saskatchewan Mining Development Corporation (SMDC), along with private companies, explore for and develop resources under mineral leaseholds, often on a joint venture basis.

Based on its ownership of minerals, Saskatchewan has developed royalty and tax arrangements which maximize returns to the Province while remaining sensitive to the economics of the industry. The Government's objectives are to promote orderly expansion of the resource sector consistent with market opportunities and protection of the environment, while securing for the present and future residents of the Province a fair share of the benefits of resource development.

Developments in potash, uranium and heavy oil indicate a bright outlook for growth in the mineral sector in Saskatchewan. The benefits of resource development in terms of enhanced stability and growth of the economy will become increasingly apparent as mineral resources are further developed through the 1980's.

Value Of Oil Production Grows Rapidly

Value of Oil Shipments, Saskatchewan



Source: Statistics Canada and Saskatchewan Mineral Resources

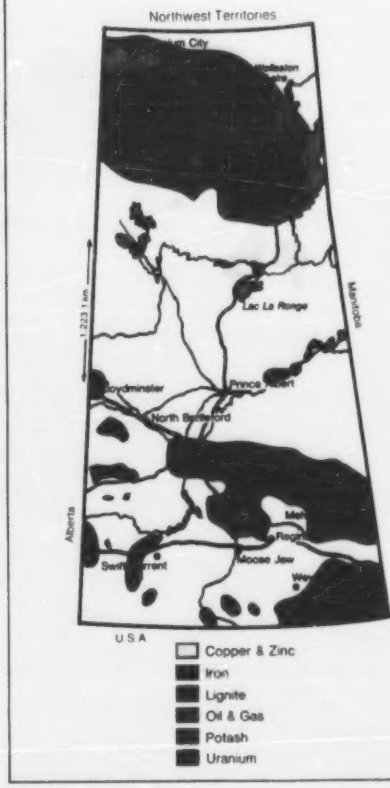
Saskatchewan is the second largest producer of crude oil in Canada, two-thirds of which are medium and heavy grades. The value of oil shipments rose from $200 million in 1970 to $720 million in 1979.

The Province's reserves have recently been estimated to consist of 108 million cubic metres (680 million barrels) of crude oil, remaining recoverable at current prices and technology, and 4,000 million cubic metres (25,000 million barrels) of heavy oil in place. Major markets include Ontario and Quebec (which purchase about 55 per cent of the production, mainly light and medium crudes) and the upper midwestern United States (which buys 41 per cent, consisting of heavy oil exports used mainly in the production of asphalt).

As of January 1, 1979, Saskatchewan had remaining established natural gas reserves estimated at 37,000 million cubic metres (1,304,000 million cubic feet), recoverable at current prices and technology, and a further 40,000 million cubic metres (1,438,000 million cubic feet) of established reserve extensions. Production is reserved for domestic use. At current rates, provincial supplies furnish approximately 36 per cent of the natural gas consumed in the Province. Most of it is distributed through the Saskatchewan Power Corporation, a provincially owned utility which provides the natural gas and electricity required by domestic and commercial users.

In addition to Saskatchewan reserves, the Saskatchewan Power Corporation also owns or has contracted for substantial gas reserves in the Province of Alberta.

Saskatchewan Mineral Zones



While oil production declined from 14 million cubic metres (89 million barrel in 1970 to 9.2 million cubic metres (million barrels) in 1979, due to the depletion of conventional reserves, world energy shortages and rising international prices for oil and gas ha pushed exploratory and development drilling in Saskatchewan to near-reco levels. Drilling activity increased from yearly rate of 277 wells in 1975 to 1,271 wells in 1979, two-thirds of which were in the Lloydminster heav oil region in west-central Saskatchew Deep drilling for new conventional reserves is increasing in southeaster Saskatchewan.

Heavy Oil Focus of Development Activity

In 1978, PetroCanada (a federal Crown corporation), Gulf Canada Ltd. and Saskoil announced a joint $99 million, eight-year heavy oil exploration program covering 202,343 hectares (500,000 acres). In 1979, Husky Oil Ltd. began a five-year, $450 million program to accelerate the development of its heavy oil properties in Saskatchewan. In April, 1980, the Government sale of oil and gas exploration rights in the Lloydminster area set an all-time record, with bids averaging more than double the price per acre in previous sales.

Heavy oil, as the name implies, is an extremely dense and viscous crude — characteristics which make recovery, transport, and refining costly and difficult by conventional means. Consequently, several companies are experimenting with a variety of enhanced recovery techniques to increase the average rate of recovery of heavy oil from its typical level of about 7 per cent.

A number of companies are involved in three pilot projects under a joint Canada-Saskatchewan agreement introduced to encourage the development of enhanced recovery methods. Additional research is expected to be financed under the agreement in the early 1980's.

The feasibility of constructing a facility to upgrade heavy oil to a form suitable for pipeline shipment, and further refining into conventional petroleum products, is being investigated. Should these investigations indicate commercial viability, and should adequate heavy oil production rates be achieved, at least one upgrading plant would be constructed in the 1980's.

Through Saskoil, the provincial government is actively promoting the development of Saskatchewan's petroleum resources. In 1980, the Government will invest $28.8 million in Saskoil to finance its activities. Immediate plans call for exploration programs for heavy and conventional crudes, both independently and in joint ventures. Saskoil will also experiment with enhanced recovery techniques, and may participate in developing upgrading and refining facilities.

Funds will continue to be allocated by the Government to assist industry in exploring for oil and gas. The Government uses its tax and royalty structures to stimulate development. It will, if required, introduce additional measures for oil produced by high cost, enhanced recovery methods. The industry has clearly demonstrated its eagerness to develop the resources of the Province and to take up the challenge of heavy oil. Given rising world energy prices, the industry is expected to experience very strong growth through the next decade.

Rich Uranium Deposits Being Developed

With some of the highest grade deposits in the world, Saskatchewan is the second largest uranium producer in Canada. A strengthening of uranium prices in the mid-1970's led to an acceleration of exploration and development throughout the remote northern areas of the Province. The value of uranium shipments rose from $11 million in 1970 to $218 million in 1979.

Production in 1979 of 2.9 million kilograms (6.5 million pounds) of uranium oxide (U_3O_8), came from mines owned by Eldorado Nuclear Ltd. at Uranium City, with 700,000 kilograms (1.5 million pounds) capacity, and by the partnership of Gulf Minerals Canada Ltd., Uranerz Mining and Exploration Ltd., and Gulf Canada Ltd. at Rabbit Lake, with 2.4 million kilograms (5.5 million pounds) capacity.

Provincial output is expected to increase dramatically in the short term, as new deposits are brought into production. Following a major public inquiry into the mining and milling of uranium, chaired by Mr. Justice E. D. Bayda in 1978, approval was given to Amok Ltd. to develop a mine at Cluff Lake. The Saskatchewan Mining and Development Corporation (SMDC) subsequently purchased a 20 per cent interest in the project. The first phase of the project is expected to begin by the end of 1980, with production at 2.0 million kilograms (4.4 million pounds) of U_3O_8 per year.

Public hearings are now being conducted on the environmental, social health and safety aspects of a proposal to produce up to 4.5 million kilograms (10 million pounds) of U_3O_8 per year at Key Lake, beginning late in 1983. If approved by the Government, the project will be operated by the Key Lake Mining Corporation, owned jointly by SMDC (50 per cent interest), Uranerz Mining and Exploration Ltd. (33⅓ per cent) and Eldor Resources Ltd. (16⅔ per cent).

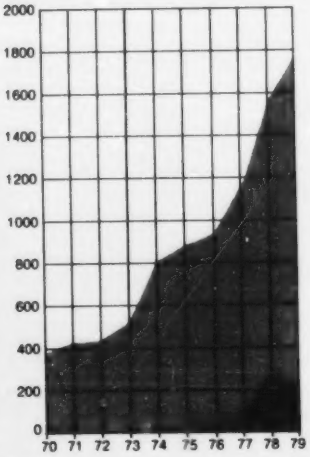
The uranium royalty system applied by the Province allows the industry to recover capital expenditures before graduated royalties, based upon the rat of return of the project, take effect. Thi royalty structure, established in 1976,

A Resource for The Future

provides for a short pay-back period on investments, and so is attractive to the mining industry. Exploration expenditures of $100 million are forecast for 1980, a continuation of the record levels set in 1979.

The largest single participant in this exploration is the Saskatchewan Mining Development Corporation. Since 1975, any firm planning to spend over $10,000 on a mineral property has been required to offer the Corporation the opportunity to earn up to a 50 per cent interest in the project. The Corporation is required to exercise its option within one year. At present SMDC has interests in over 200 exploration ventures in the Province.

Value of Uranium Shipments, Saskatchewan
(Millions of Dollars)



Source: Statistics Canada and Saskatchewan Mineral Resources

A number of significant new ore bodies have been identified, and it is now estimated that Saskatchewan accounts for 50 per cent of Canada's total uranium reserves. Major discoveries include deposits at Midwest Lake (Esso Minerals Canada Ltd. and four other partners), the Keefe-Henday Lakes area (Asamera Oil Corporation Ltd. and others), and MacLean Lake (Canadian Occidental Petroleum Ltd. and Inco Metals Co.). Possible softening of world uranium markets in the early 1980's may slow the rate at which new ore bodies are brought into production. In the longer term, world demand for uranium is expected to increase substantially, and the industry in Saskatchewan will continue to grow.

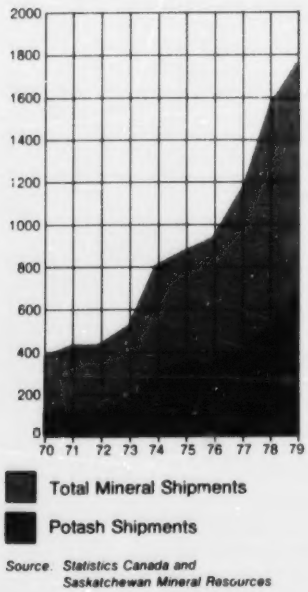
In the next decade, Saskatchewan uranium producers will be in a strong position to take advantage of market opportunities. The nature of the ore reserves in the Province permits the use

of economical open pit mining techniques to extract exceptionally high grades of ore (typically averaging 2 per cent U_3O_8). Canada's reputation as a reliable mineral supplier will enhance these economic advantages.

As most of the production from Saskatchewan mines is expected to be sold under long-term contracts, short-term price fluctuations should not be critical to future growth. It is the Government's policy to schedule the rate at which new deposits are developed in order to maintain industry stability. This will ensure that products from established mines are marketed at reasonable prices, prior to approval of further expansions. Sales of uranium are projected to approach $1,000 million per year by 1990.

Major Potash Expansion Underway

Value of Potash Shipments, Saskatchewan
(Millions of Dollars)



Source: Statistics Canada and Saskatchewan Mineral Resources

Saskatchewan possesses over 40 per cent of the world's economically recoverable potash reserves. Provincial reserves are estimated to total 107,000 million tonnes of KCl. Production is highly mechanized and low-cost by world standards because of the regularity and thickness of the deposits and the predictability of the ore grade. Steady growth in production was accompanied by a three-fold increase in prices during the 1970's. The value of shipments of Saskatchewan potash increased from $109 million in 1970 to $695 million in 1979.

In 1979, Saskatchewan produced about 25 per cent of world potash output. Seventy per cent of Saskatchewan's production is exported to the United States. The largest portion is sold in the states of Illinois, Iowa and Indiana, where potash is made into fertilizer used for growing corn, soya beans and wheat crops.

While the United States market is large, it is relatively mature, with potash demand growing at about 3 per cent per year. The market outside of North America, however, is growing much more quickly, and is expected to continue to expand with the increased demand for fertilizer. In recent years, Japan, Brazil, India and Korea, have all been important customers for Saskatchewan potash.

Saskatchewan has ten producing mines, which are owned by several companies. The largest is the Potash Corporation of Saskatchewan (PCS). PCS purchased three potash mines and an interest in two others between 1976 and 1978, and now owns about 40 per cent of the Province's productive capacity. To take advantage of growing world markets, PCS has announced a ten-year expansion plan that will triple its capacity to 11.4 million tonnes of KCl, at an estimated cost of $2,500 million.

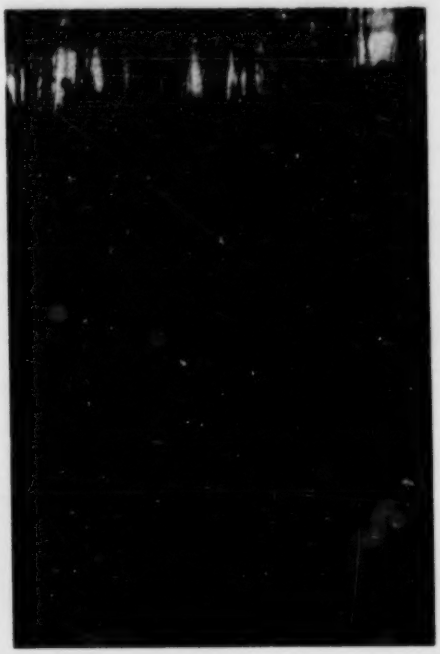
In 1979, the Government signed Potash Resource Payment Agreements with all the producers in the Province, resolving previous disagreements over taxation. The outlook for the 1980's is optimistic. World demand for potash is forecast to grow substantially as fertilizers become increasingly important in meeting global food needs. It is expected that orderly expansion of both publicly and privately owned mines will continue in the next decade, thus avoiding short-run oversupply situations, while ensuring that Saskatchewan supplies a growing share of world markets.

Coal A Primary Energy Source

Approximately 70 per cent of Saskatchewan's electrical energy is produced from lignite coal. This percentage will increase over the next two years, as two new 300-megawatt generating units are brought on stream at Poplar River. Since it is the Government's policy to minimize the use of refined petroleum products or natural gas for the generation of electricity, coal will continue to play a central role in meeting the future energy requirements of the Province.

Saskatchewan's coal reserves, recoverable at current prices, are estimated at 7,620 million tonnes. Annual production is expected to increase to about 8 million tonnes per year when the Poplar River generating units commence operations. At present, less than one million tonnes is exported annually. The feasibility of using lignite in the direct ore reduction process for making steel is being studied. With dwindling world supplies of other fuels, and continuing research into coal gasification, liquefaction and other technologies, rising demand for coal may be anticipated in the 1980's.

Forest Industry Managed For Growth

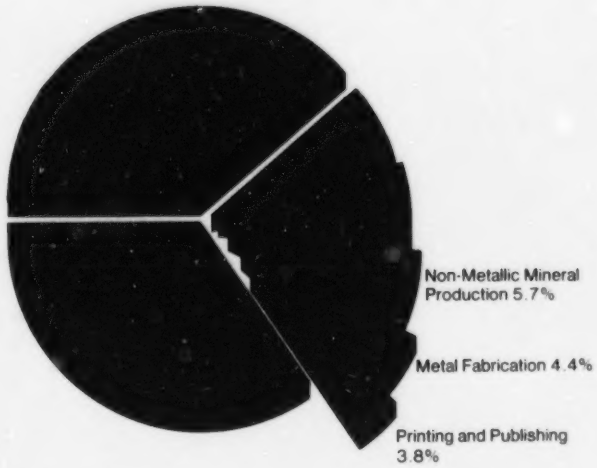


Saskatchewan's commercial forest extends over 150,000 square kilometres (58,000 square miles), containing 500 million cubic metres (17,000 million cubic feet) of merchantable timber, approximately 60 per cent of which is softwood. Products include Kraft pulp, lumber products, plywood and waferboard (Aspenite). The gross value of production rose from $45 million in 1970 to more than $200 million in 1979.

To meet market demand and new product requirements, the Prince Albert Pulp Co. Ltd., in which the Government holds a part interest, is leading the expansion of the industry with a $40 million modernization program. The Province has entered into a four-year, $24 million forestry agreement with the Government of Canada to improve the management and utilization of the forest resource, and is studying new uses for aspen to assist the industry to take advantage of long-term opportunities for growth.

Manufacturing *Shows Steady Increase*

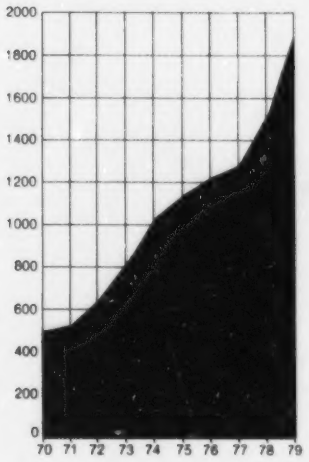
Distribution of Value of Manufacturing Shipments, Saskatchewan, 1979



Note: Components do not add to 100% due to rounding.
Source: Statistics Canada

Value of Manufacturing Shipments, Saskatchewan

(Millions of Dollars)



Source: Statistics Canada

Not surprisingly, given the predominance of agriculture in the provincial economy, the food and beverage industry accounts for 40 per cent of the value of manufacturing production in the Province. Other major manufacturing activities include steel making, farm implement manufacture, forest products manufacture, printing and publishing, and high technology initiatives in such fields as chemicals and electronics. The value of factory shipments rose from $545 million in 1970 to an estimated $1,890 million in 1979.

Saskatchewan's largest single manufacturing concern is the Interprovincial Pipe and Steel Company Limited (IPSCO), owned in part by the Governments of Saskatchewan and Alberta. The largest steel company in Western Canada, IPSCO reduces scrap metal to make steel sheet and plate products and a full range of steel pipe and tube. Through an expansion program, production capacity is now being increased from 490,000 tonnes to 680,000 tonnes per year, with matching finishing capacity. As a result, the company will be able to supply pipe for large diameter pipeline projects and an increasing portion of the rapidly growing steel needs of Western Canada.

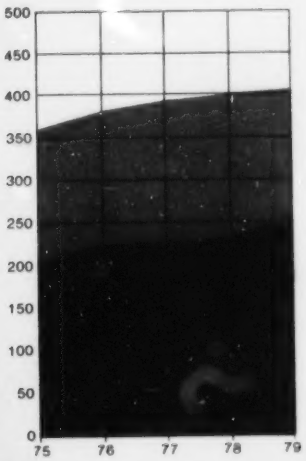
Innovative and sophisticated new technologies are being developed in the Province to meet the changing needs of industry and communications. Saskatchewan firms have become leaders in the design and manufacture of specialized electronic instrumentation and satellite ground station technology.

SaskTel (the provincially owned telecommunications utility) plans to develop the world's largest (3,200 kilometres) fibre optic communications system, to serve the needs of both larger and rural communities. Northern Telecom Ltd. will construct a plant in Saskatoon to produce the necessary fibre optic systems. These developments will place Saskatchewan in a strong position in a rapidly growing field.

The Saskatchewan government recognizes the value of manufacturing in its diversification strategy, as a source of jobs and as a means of increasing the degree of domestic processing of its primary products. The provincial and federal governments provide a range of technical assistance programs, business loans and equity financing, to develop manufacturing opportunities within the Province.

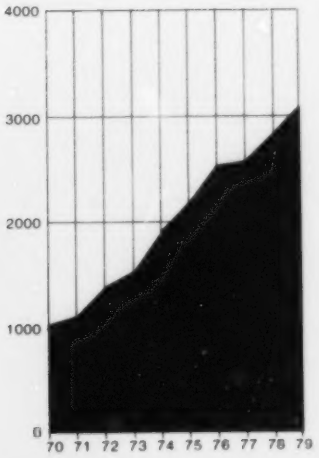
Service Sector *Improves Quality Of Life*

Service Sector Employment
Saskatchewan, 1975-79
(Thousands of People)



Source: Statistics Canada

Value of Retail
Sales, Saskatchewan
(Millions of Dollars)



Source: Statistics Canada

High Standard of Public Services
Approximately one-sixth of the labour force is engaged in non-commercial services, such as health care and education. Public services in Saskatchewan are among the most comprehensive in the world.

The service sector (including finance, real estate, insurance, wholesale and retail trade, health care, education, transportation, communications and public administration) is the largest sector in the Saskatchewan economy, accounting for 58 per cent of employment in the Province. In 1979, most of the Province's 15,000 new jobs were created in this sector. Two important indicators have shown impressive growth. The value of retail sales grew from $1,018 million in 1970 to $3,190 million in 1979, while spending on travel and recreation rose to over $600 million, from $165 million in 1970.

The greatest variety of service industries is found in the urban centres of Regina and Saskatoon, which contain about one-third of the Province's population. A sustained high level of activity in resource development has attracted new corporate head offices. Renewed growth of the provincial population, its continued urbanization, and increases in personal incomes have all created demands for a wide range of personal as well as professional and commercial services.

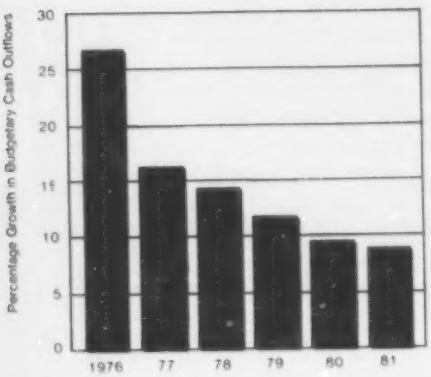
Smaller centres around the Province are also undergoing a transition as the service sector diversifies to meet the needs of such industries as oil and gas exploration and mining. In support of the transition, provincial programs have been successfully developed to aid communities and businesses to upgrade facilities and strengthen the vitality of downtown areas.

Education and training are priorities of the provincial government. Programs are offered through two universities (at Saskatoon and Regina), 15 community colleges and five technical/vocational training centres. At present, over 70 per cent of Saskatchewan's work force have at least nine years of formal schooling. Twenty-two per cent have taken technical or academic training beyond high school, and 14 per cent have at least one year of university instruction.

Universal hospital and medical care without premiums, subsidized medical drugs, and a dental care plan for children typify the programs that enable the people throughout Saskatchewan to enjoy a high standard of living.

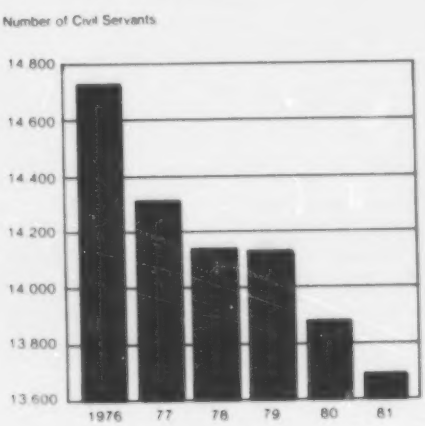
Financial Management *A Priority*

Consolidated Fund Reduction in Growth of Estimated Budgetary Cash Outflows



Source: Saskatchewan Department of Finance

Province of Saskatchewan Reduction in Size of Civil Service*



**Includes person-year equivalents for non-permanent employees.*

Source: Saskatchewan Department of Finance

Budgets Balanced Over Economic Cycle

The Government of Saskatchewan has a long-standing reputation for strong financial management. Between 1948 and 1971, the Province produced 22 balanced budgets in 24 years.

Since 1972, the Saskatchewan government has followed a policy of long-term fiscal accounting to reflect the cyclical nature of the Province's economy. Year-to-year swings in the value of agriculture and natural resource production tend to create fluctuations in Government revenues. Surpluses realized in years of strong revenue growth are accumulated, and used to finance deficits in less prosperous years, so that the budget balances over the economic cycle as a whole.

From 1972 to 1975 the Saskatchewan economy grew rapidly. As a result, the Province accumulated surpluses of $111 million. During the following four years the economy grew more slowly. However, in accordance with the policy of long-term fiscal accounting, the accumulated surpluses were used to help finance ongoing Government programs.

This policy was adopted for two reasons. First, the Government did not wish to cut back essential programs or services during a period of slower revenue growth. Second, the Government considered the level of its spending to have an important influence on the performance of the economy. By maintaining reasonable levels of spending, the Government could provide the stimulus necessary to keep the Province's economy growing and to maintain high levels of employment.

In the 1980 Budget Speech, the Minister of Finance predicted strong economic growth for the coming year, and announced that the Budget would be balanced with a planned surplus of $1 million. Expenditures in the Consolidated Fund were estimated at $2,018 million and revenues at $2,019 million. At the same time, $149 million would be set aside for investment in the Province's Heritage Fund, producing a combined budgetary surplus for the two funds estimated at $150 million. The outlook for Saskatchewan's economy over the longer term is for continued growth which should be reflected in a sustained increase in revenues.

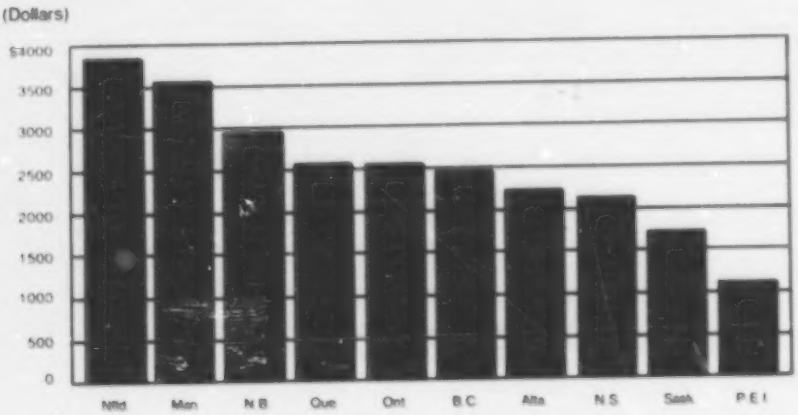
Saskatchewan has developed a strong tradition of careful financial planning, which has helped the Government maintain a firm control on spending. The Government has budgeted for a decline in the rate of increase in its spending for the fifth successive year.

The same firm control is reflected in the size of the public service in Saskatchewan. Government departments have actually reduced the total staff complement over the last five years. And despite the overall restraint on the size of the civil service, many new programs have been established or expanded. This has been accomplished through the reallocation of budgeted resources from low to higher priority areas.

The emphasis in Saskatchewan on the efficient use of financial and human resources in the public sector has its roots in the Province's less-prosperous past. Although the Saskatchewan economy is stronger and more diversified than ever before, the Government remains committed to giving the taxpayer maximum value for his dollar, while keeping the overall level of Government operating expenses in balance with revenues and the economic cycle.

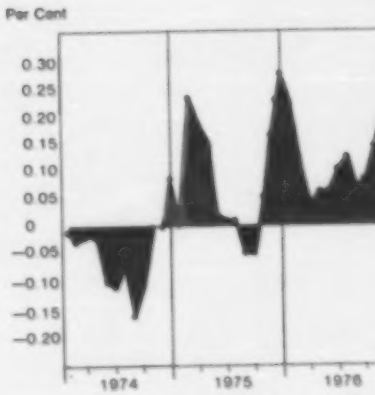
Most Borrowing For Income Generating Purposes

Provinces of Canada
Total Debt Per Capita, 1978



Source: Bank of Montreal

Domestic Yield Spreads Saskatchew
Ontario January/1974 — April/1980



* Values pertain to the last day of each month.
Note: A negative value, shown in dark shading, implies a yield (interest cost) for Saskatchewan than Ontario
Source: Bank of Montreal

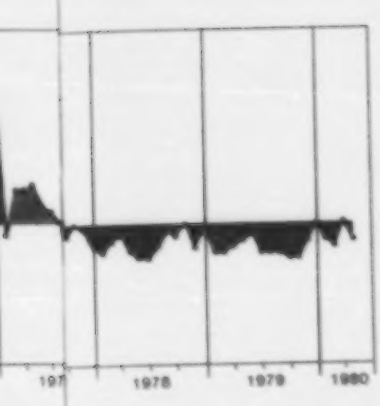
Saskatchewan's credit worthiness has continued to be of the highest calibre through careful management of its financial affairs. Its policy of balancing the budget over the economic cycle has meant that the Government has not had to borrow extensively to finance its on-going activities. Only 9.7 per cent of the Government's gross debt is financed by the taxpayer out of current revenues. The remaining 90.3 per cent of the Province's gross debt has been incurred to finance the capital spending activities of the Government's Crown corporations. Funds borrowed for Crown corporations have been used to acquire income-generating assets capable of meeting interest payments and retiring the debt.

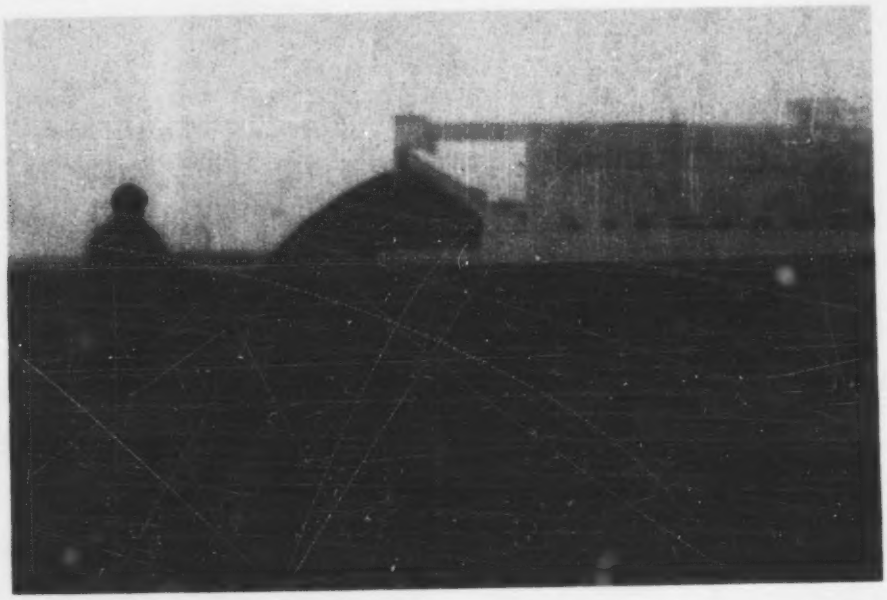
By minimizing the amount of borrowing for its own purposes, the Government has maintained a very favorable debt position in comparison with other Canadian provinces. Saskatchewan's debt per capita is the second lowest of all the provinces in Canada.

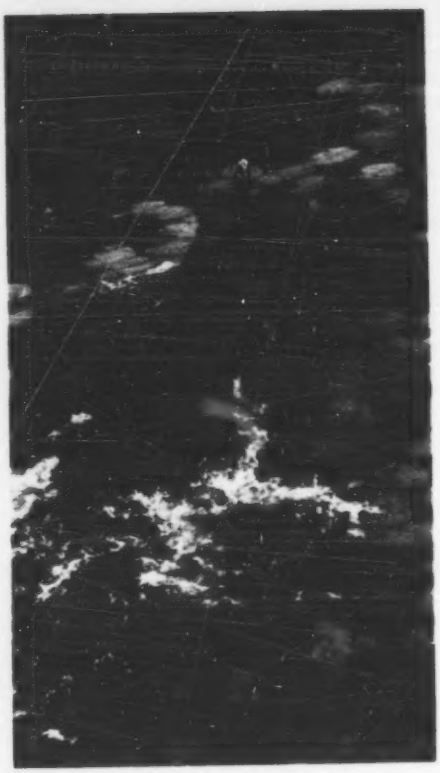
The interest on the Government's o share of its debt has consistently be lower than the interest Saskatchewa has earned on its own financial asse In 1980-81, the Province estimates it will make interest payments of $16.3 million on its portion of the d and will earn interest of $21.5 millio its financial assets. Rather than bein burden to the taxpayer, Saskatchew net interest earnings make a positiv contribution to its budgetary positio

Saskatchewan's sinking fund policy assists in maintaining the quality of provincial credit. Funds are set asid each year to accumulate and repay Province's long-term debt as it matu At December 31, 1979, the Provin sinking funds held assets of $204.7 million, providing further protection to lenders and adding flexibility to the retirement of the Government's debt.

Heritage Fund — Investing In Saskatchewan's Future







The Government utilizes the monies set aside for its sinking funds, as well as a portion of the assets in Government-administered pension plans, to purchase Saskatchewan bonds as part of its investment portfolio. This market activity assists in upgrading the marketability of Saskatchewan bonds.

The Province has a credit rating of AA, but the sound financial policies of the Government have meant that, in 1979, Saskatchewan was able to borrow more cheaply in Canada than any other province. In particular, Saskatchewan long-term bonds have yielded a lower cost to the Province than the cost of bonds to the Province of Ontario.

The positive economic outlook for the Province, combined with strong financial management in Government, should maintain and strengthen Saskatchewan's credit worthiness through the 1980's.

The Saskatchewan Heritage Fund was established on April 1, 1978, to ensure that a share of the benefits from development of the Province's non-renewable resources would be preserved for future generations. The Fund has three main purposes:

- to invest in assets that will provide the base for future economic vitality;
- to finance capital projects which will contribute to the long-term economic and social development of the Province;
- to stabilize yearly fluctuations in the resource revenues used to finance general Government programming.

How the Heritage Fund Works

All non-renewable resource revenues are deposited in the Saskatchewan Heritage Fund. In 1980-81, the total revenues of the Fund are estimated to be $645.5 million. The Heritage Fund (Saskatchewan) Act defines the structure of the Fund and requires the annual approval of the Legislative Assembly for all expenditures, loans and investments. Each year, a portion of the revenues is transferred to the Consolidated Fund to finance ongoing Government programs and services.

The Act permits up to 80 per cent of the Fund's revenues to be transferred annually to the Consolidated Fund. In practice, the Government has transferred a much lower percentage. In 1980-81, the Dividend will amount to $387 million or 60 per cent of estimated Heritage Fund revenues.

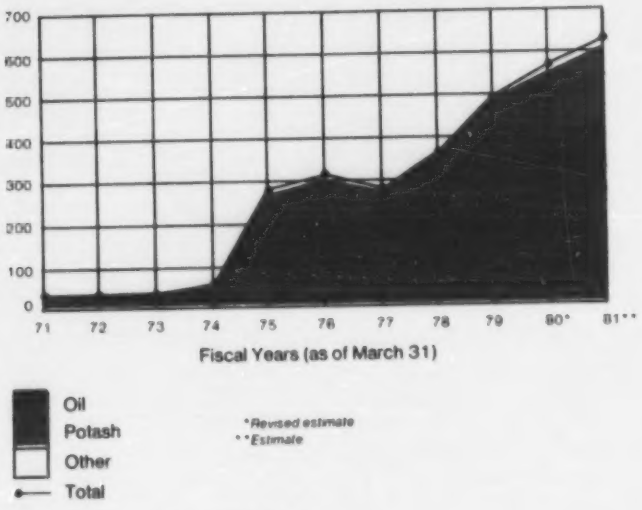
All other resource revenues are allocated to the three divisions of the Heritage Fund:

- The Resources Division, which finances the general activities of the Fund, as well as those related to no energy mineral development;

- the Energy Security Division, whi finances the Fund's efforts to devel the Province's energy resources an encourage energy conservation;

Saskatchewan Heritage Fund
Growth of Resource Revenues, 1971-81

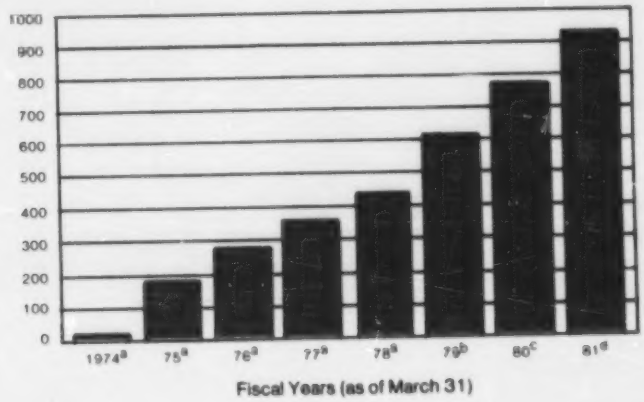
(Millions of Dollars)



Source: Saskatchewan Department of Finance

Saskatchewan Heritage Fund
Total Assets

(Millions of Dollars)



[a] Energy and Resource Development Fund.
[b] Includes transfer April 1, 1978 of $35,846,000 from the Special Investment Account.
[c] Revised estimate.
[d] Estimate.

Source: Saskatchewan Department of Finance

• and the Environmental Protection Division, which acts as a contingency fund against unforeseen environmental problems which may arise after a uranium mine has ended production and site reclamation has been completed.

In 1980-81, the budgetary expenditures of the Fund will amount to $496.2 million, which includes $387 million for the Dividend, $47 million to assist the petroleum industry explore for oil and gas, and $49 million in Provincial Development Expenditures. These latter expenditures are for capital projects such as resource roads, community facilities, parks development, and university construction.

The Heritage Fund will set aside $149.4 million for investment, of which $134.9 million will be loaned to or invested in Crown corporations. The remaining $14.5 million will increase the current assets of the Fund.

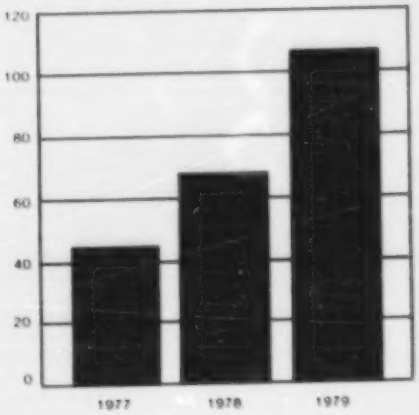
Saskatchewan's Heritage Fund is an important source of financial strength for the Province. By the end of 1980-81, the total assets of the Fund are expected to exceed $915 million.

By accumulating resource revenues and reinvesting them in Saskatchewan, the Heritage Fund is playing a significant role in the Province's economic development, and at the same time preserving a portion of the benefits of resource development for future generations.

Investment By Crown Corporations Approaches $1,000 Million

Crown Investments Corporation of Saskatchewan
Consolidated Net Earnings Of Constituent Crown Corporations, 1977-79

(Millions of Dollars)



Source: Crown Investments Corporation

Saskatchewan's Crown corporations participate in the development of the Province's natural resources, supply utilities in all areas of the Province, and provide a variety of financial and other services to Saskatchewan people and businesses.

The Crown Investments Corporation of Saskatchewan (CIC) is a financial holding company for the seventeen commercial Crown corporations. Reporting to a board of Cabinet Ministers, CIC establishes broad policy direction for the Crown sector and serves as a financial intermediary between the provincial government and the individual corporations. As part of its financial role, CIC reviews corporate plans and approves the capital budgets of the Crown corporations. It also supplies legal, accounting, personnel and industrial relations services to the corporations.

On a consolidated basis, CIC and the seventeen commercial corporations earned profits of $108 million in 1979, up from $68 million in 1978. The total assets of the corporations amounted to $3,449 million at December 31, 1979, of which $965 million was provincial equity. During 1979, the corporations paid $100 million in taxes and resource payments to the Province.

In addition to the seventeen commercial corporations, there are several non-profit corporations, such as the Saskatchewan Housing Corporation, which act as program agencies for the Government in delivering services to various groups of Saskatchewan residents.

During 1980, the corporations are expected to invest $972 million in capital projects, an increase of more than 50 per cent over 1979. Of this amount, they expect to generate $382 million internally, leaving a balan of $590 million to be financed from other sources: $136 million from the Saskatchewan Heritage Fund; $88 million from the Canada Pension Plan Investment Fund; and $366 milli to be borrowed in the major Canadian and U.S. dollar markets.

The strong financial position of the corporations and the investment resources available from the Heritage Fund will provide a solid base for financing the ambitious development plans that the Crown sector is expect to bring forward during the next deca

Province of Saskatchewan
Summary of Economic Indicators

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
GROSS DOMESTIC PRODUCT — CURRENT MARKET PRICES										
Millions of Dollars	3,030	3,515	3,745	4,889	6,353	7,150	7,931	8,357	9,553	11,068
Annual Rate of Change — Percent	(3.8)	16.0	6.5	30.6	29.9	12.6	10.9	5.4	14.3	15.9
Per Capita — Dollars	3,220	3,796	4,096	5,402	7,059	7,884	8,611	8,919	10,073	11,541
GROSS DOMESTIC PRODUCT — CONSTANT 1971 PRICES										
Millions of Dollars	3,138	3,515	3,488	3,747	4,155	4,371	4,638	4,694	4,919	5,074
Annual Rate of Change — Percent	(8.7)	12.0	(0.8)	7.4	10.9	5.2	6.1	1.2	4.8	3.2
Per Capita — 1971 Dollars	3,335	3,796	3,816	4,140	4,617	4,820	5,036	5,009	5,186	5,291
CENSUS VALUE ADDED IN GOODS PRODUCING INDUSTRIES*										
Millions of Dollars	1,412	1,737	1,659	2,490	3,559	3,865	4,164	4,090	4,929	5,397
PERSONAL INCOME										
Millions of Dollars	2,133	2,555	2,767	3,673	4,519	5,660	6,205	6,394	7,046	7,785
Per Capita — Dollars	2,267	2,759	3,027	4,059	5,021	6,240	6,737	6,824	7,432	8,135
FARM CASH RECEIPTS — Millions of Dollars	686	891	1,191	1,463	2,078	2,469	2,304	2,137	2,472	2,820
REALIZED NET FARM INCOME										
Millions of Dollars	222	352	598	747	1,186	1,408	1,017	793	857	1,045
VALUE OF MANUFACTURING SHIPMENTS										
Millions of Dollars	545	578	647	810	1,045	1,177	1,213	1,298	1,519	1,887
VALUE OF RETAIL SALES — Millions of Dollars	1,018	1,139	1,363	1,533	1,904	2,243	2,522	2,569	2,875	3,190
VALUE OF MINERAL SHIPMENTS										
Millions of Dollars	390	417	419	520	805	877	964	1,184	1,590	1,795
PUBLIC AND PRIVATE INVESTMENT										
Millions of Dollars	864	963	1,153	1,355	1,687	2,261	2,707	2,845	3,071	3,514
HOUSING STARTS — Units	1,743	3,560	4,845	6,386	7,684	10,505	13,143	12,825	9,527	11,742
ELECTRIC POWER GENERATED										
Millions of K.W.H.	6,011	6,075	6,747	7,438	7,388	7,090	7,534	8,418	8,843	9,196
CONSUMER PRICE INDEX — Annual Percentage Change										
Regina	N/A	N/A	4.6	6.7	9.3	10.6	8.9	9.7	9.1	8.4
Saskatoon	N/A	N/A	4.8	6.2	9.4	11.2	8.2	8.5	7.9	8.9
Canada	3.3	2.9	4.8	7.5	10.9	10.8	7.5	8.0	9.0	9.1
UNEMPLOYMENT RATE — Percent										
Saskatchewan	4.2	3.5	4.4	3.5	2.8	2.9	3.9	4.5	4.9	4.2
Canada	5.7	6.2	6.2	5.5	5.3	6.9	7.1	8.1	8.4	7.5
POPULATION** — Thousands	941	926	914	905	900	907	921	937	948	957

* *Value-added is the residual of an industry's gross output less purchased inputs from other industries. Census value-added includes certain overhead and service charges which cannot be deducted due to data limitations. Also, value-added in goods producing industries represents roughly one-half of total gross domestic product, with value-added in service industries representing the remainder.*

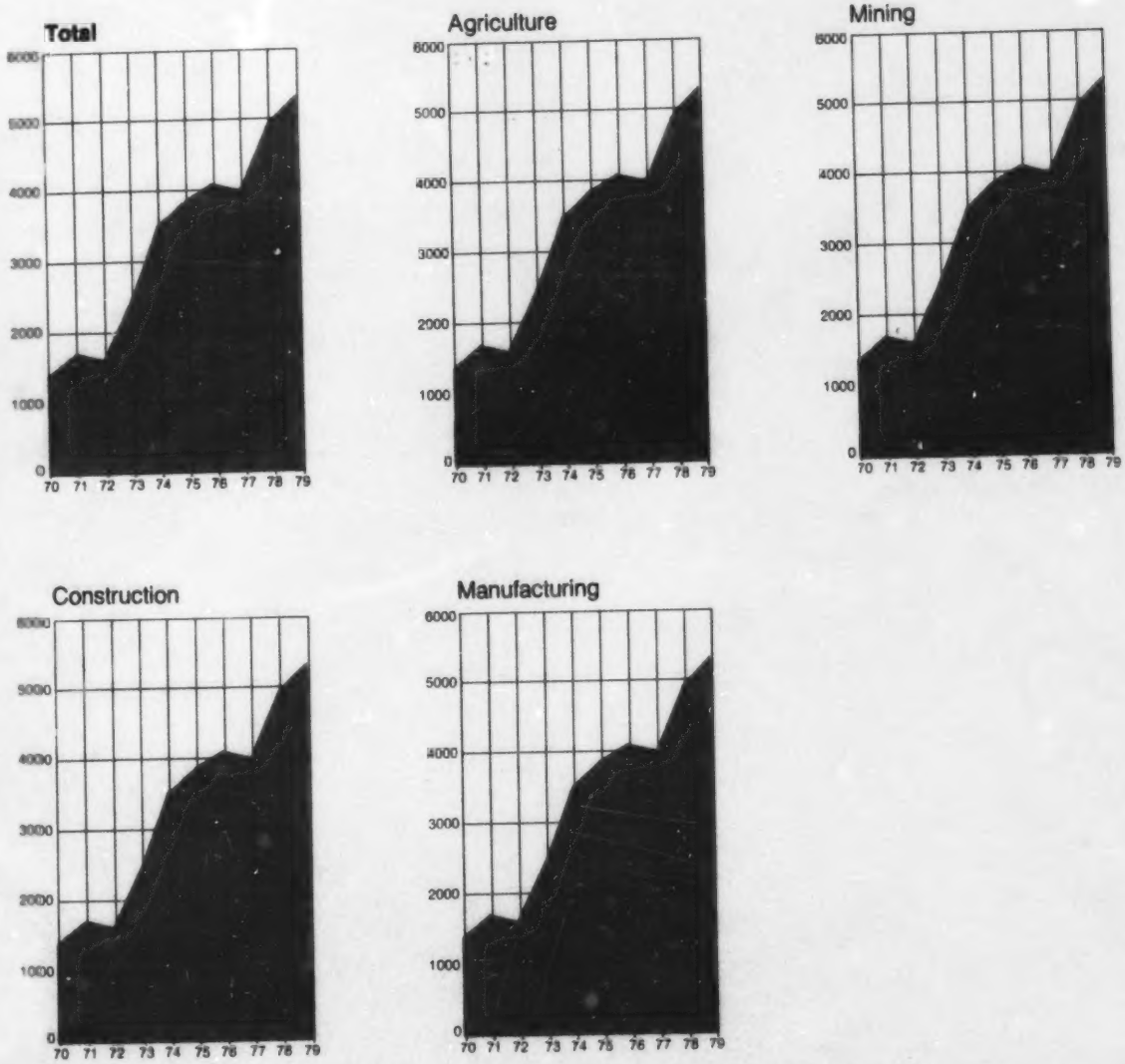
** *As of June 1.*

N/A — Not Available

Source: Saskatchewan Bureau of Statistics
Statistics Canada

Census Value Added In Goods Producing Industries , Saskatchewan

(Millions of Dollars)



Census Value Added in Goods Producing Industries*, Saskatchewan

(Millions of Dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978**	1979**
Agriculture	606	854	703	1,329	1,983	2,015	2,042	1,673	2,006	1,972
Mining	325	349	356	430	671	752	783	990	1,295	1,481
Construction	198	231	253	303	403	533	741	786	852	1,000
Manufacturing	201	218	257	331	391	455	469	489	584	723
Electric Power	71	75	78	81	87	89	105	124	161	182
Forestry, Fisheries and Trapping	11	10	12	16	24	21	24	28	33	38
Total	1,412	1,737	1,659	2,490	3,559	3,865	4,164	4,090	4,929	5,397

* *Value-added is the residual of an industry's gross output less purchased inputs from other industries. Census value-added includes certain overhead and service charges which cannot be deducted due to data limitations. Also, value-added in goods producing industries represents roughly about one-half of total gross domestic product while value-added in service industries represents the remainder.*

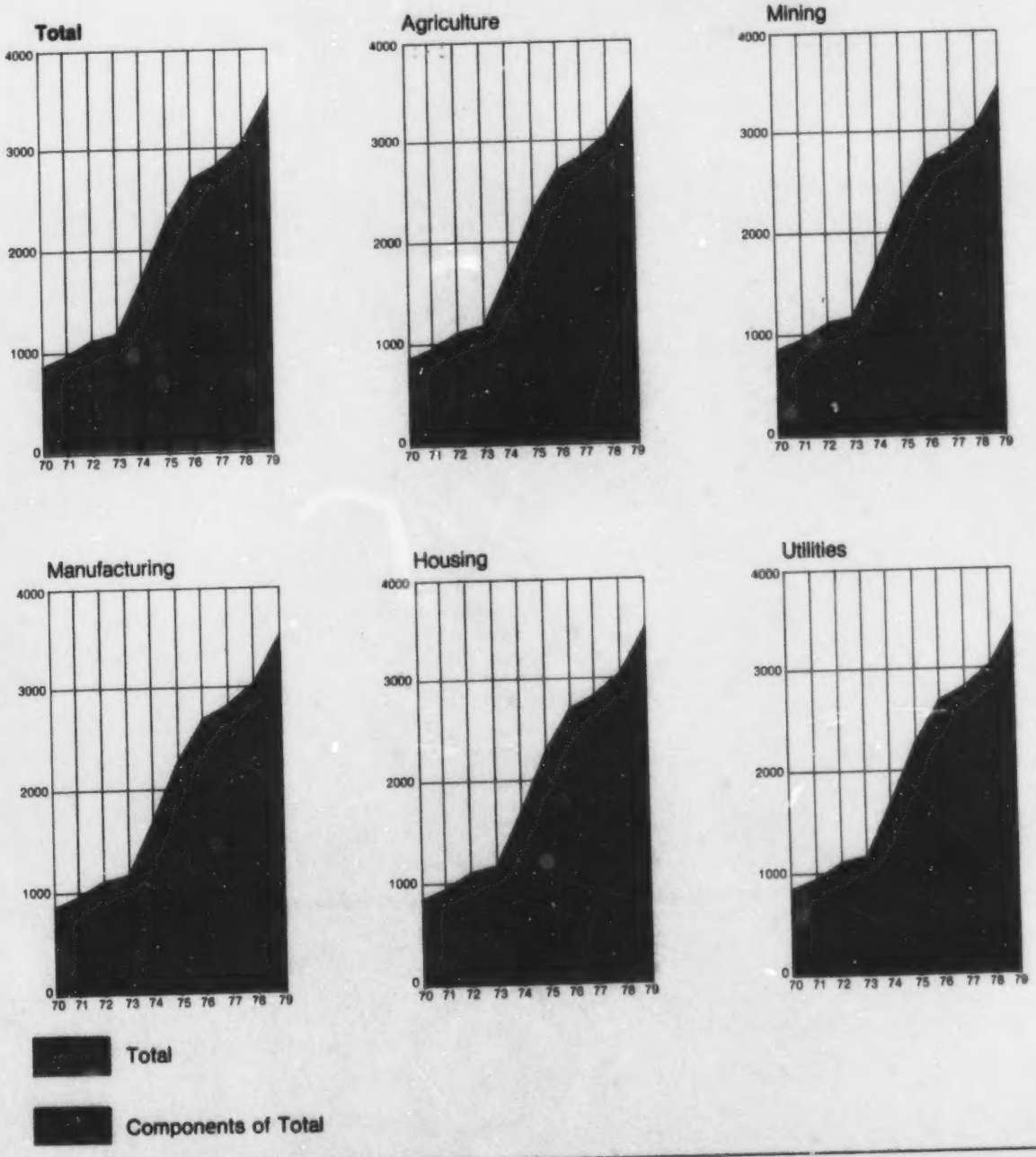
***Saskatchewan Bureau of Statistics estimate.*

Source: Statistics Canada, Survey of Production.

Note: Components may not add to totals due to rounding.

Public and Private Investment, Saskatchewan

(Millions of Dollars)



Public and Private Investment, Saskatchewan

(Millions of Dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978*	1979**
Agriculture	180	234	302	397	500	669	741	684	811	922
Mining	113	87	89	106	148	209	198	248	350	419
Manufacturing	32	40	41	54	79	89	121	103	83	119
Utilities	191	219	256	261	284	352	420	508	510	569
Trade, Finance and Commercial Services	60	56	101	101	113	163	225	240	219	303
Housing	95	108	142	196	253	368	556	591	565	586
Institutional Services and Government Departments	176	198	197	210	274	362	385	405	464	516
Other	16	22	25	30	37	49	62	65	69	79
Total	864	963	1,153	1,355	1,687	2,261	2,707	2,845	3,071	3,514

* *Preliminary actual.*

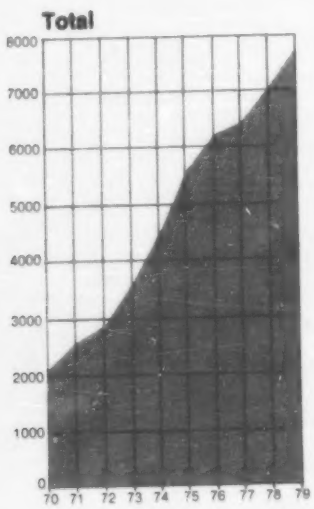
***Revised Intentions.*

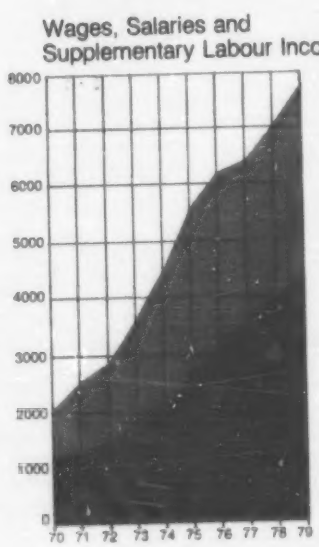
Source: Statistics Canada, Private and Public Investment in Canada.

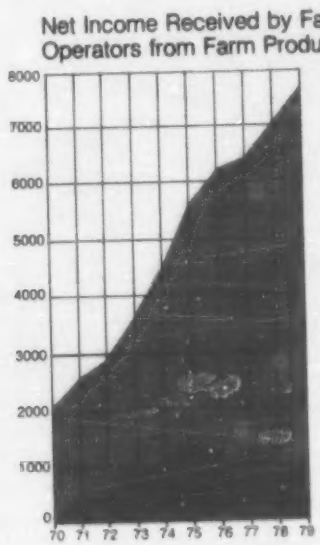
Note: Components may not add to totals due to rounding.

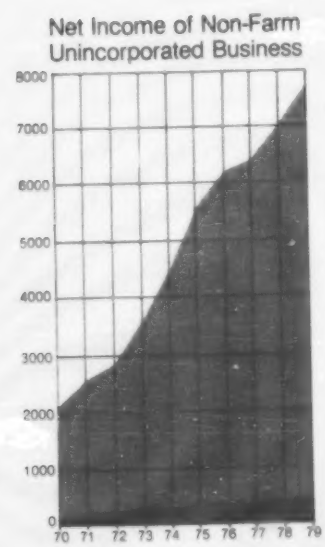
Personal Income, Saskatchewan

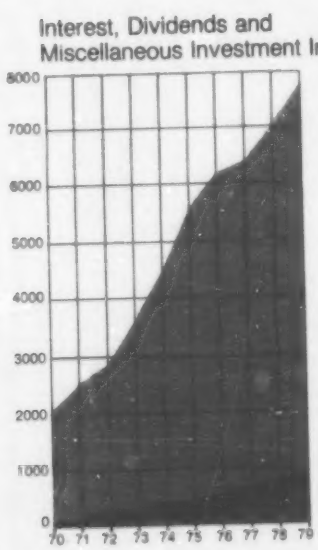
(Millions of Dollars)

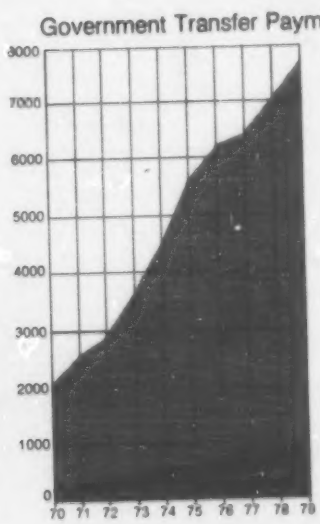












Total

Components of Total

Personal Income, Saskatchewan

(Millions of Dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979**
Wages, Salaries and Supplementary Labour Income*	1,251	1,345	1,513	1,763	2,189	2,731	3,242	3,609	3,929	4,480
Net Income Received by Farm Operators from Farm Production	185	456	388	879	1,082	1,465	1,254	842	952	940
Net Income of Non-Farm Unincorporated Business	204	209	217	262	261	304	342	362	388	420
Interest, Dividends and Misc. Investment Income	195	203	240	291	397	492	600	649	781	870
Government Transfer Payments	284	326	393	458	565	639	741	902	958	1,000
Other	14	16	16	20	25	29	26	30	38	75
Total	2,133	2,555	2,767	3,673	4,519	5,660	6,205	6,394	7,046	7,785

* *Includes Military Pay and Allowances.*

** *Saskatchewan Bureau of Statistics Estimate.*

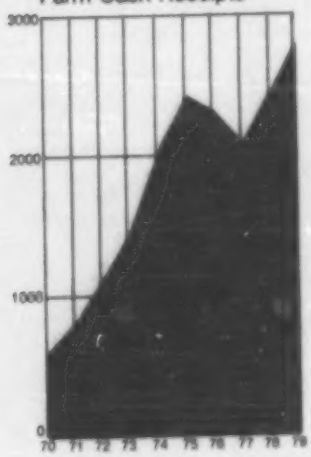
Source: Statistics Canada, Gross National Product Divison.

Note: Calculated on the basis of Gross Domestic Product. Components may not add to totals due to rounding.

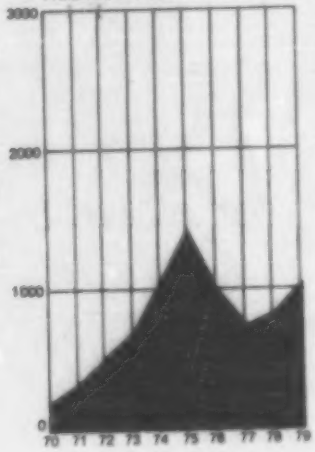
Farm Income, Saskatchewan

(Millions of Dollars)

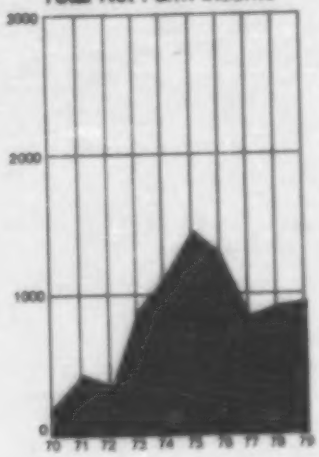
Farm Cash Receipts



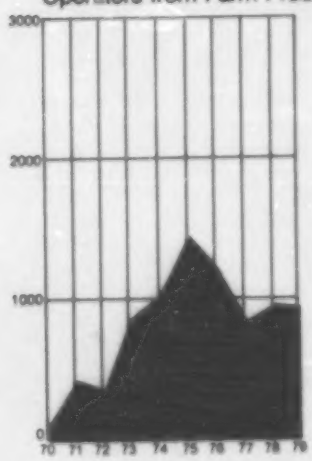
Realized Farm Net Income



Total Net Farm Income



Net Income Received by Farm Operators from Farm Production



Farm Income, Saskatchewan

(Millions of Dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978*	1979**
Farm Cash Receipts	686	891	1,191	1,463	2,078	2,469	2,304	2,137	2,472	2,820
Plus — Income in Kind and Supplementary Payments	56	25	21	26	24	21	21	23	27	35
Realized Gross Farm Income	742	916	1,212	1,489	2,102	2,490	2,326	2,160	2,499	2,855
Minus — Operating and Depreciation Charges	521	564	614	742	917	1,082	1,309	1,367	1,642	1,810
Realized Farm Net Income	222	352	598	747	1,186	1,408	1,017	793	857	1,045
Plus — Value of Inventory Change	19	113	(208)	154	(33)	79	268	53	53	(110)
Total Net Farm Income	241	465	391	902	1,153	1,487	1,286	846	910	935
Less — Amounts included in Other Components of G.N.P. and Gov't. Transfer Payments	24	23	27	40	67	12	9	9	13	9
Plus — Inventory Adjustment	7	1	(1)	18	9	(10)	(23)	(3)	(2)	14
Less — Revisions not yet incorporated in the Provincial Income and Expenditure Accounts	40	(12)	(25)	—	13	—	—	(8)	(56)	—
Net Income Received by Farm Operators from Farm Production	185	456	388	879	1,082	1,465	1,254	842	952	940

* *Preliminary*

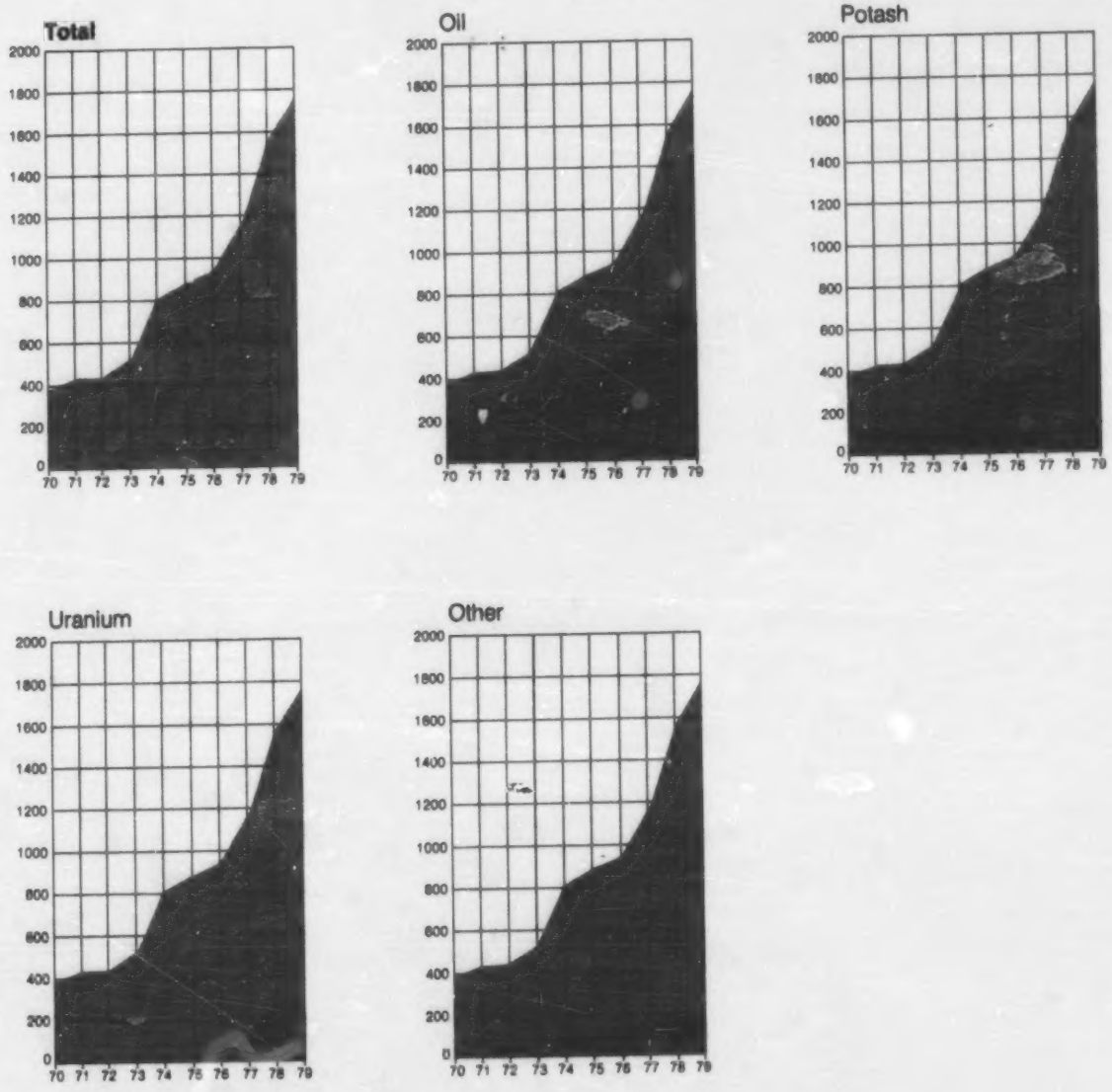
** *Saskatchewan Bureau of Statistics estimate.*

Source: Statistics Canada, Farm Cash Receipts and Farm Net Income.

Note: Components may not add to total due to rounding.

Value of Mineral Shipments, Saskatchewan

(Millions of Dollars)



Value of Mineral Shipments, Saskatchewan

(Millions of Dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979*
Oil	200	218	214	264	398	407	445	580	691	720
Potash	109	135	136	177	309	359	354	404	505	695
Uranium	11	8	9	10	14	16	45	75	261	218
Other	70	56	60	69	84	95	120	125	133	162
Total	390	417	419	520	805	877	964	1,184	1,590	1,795

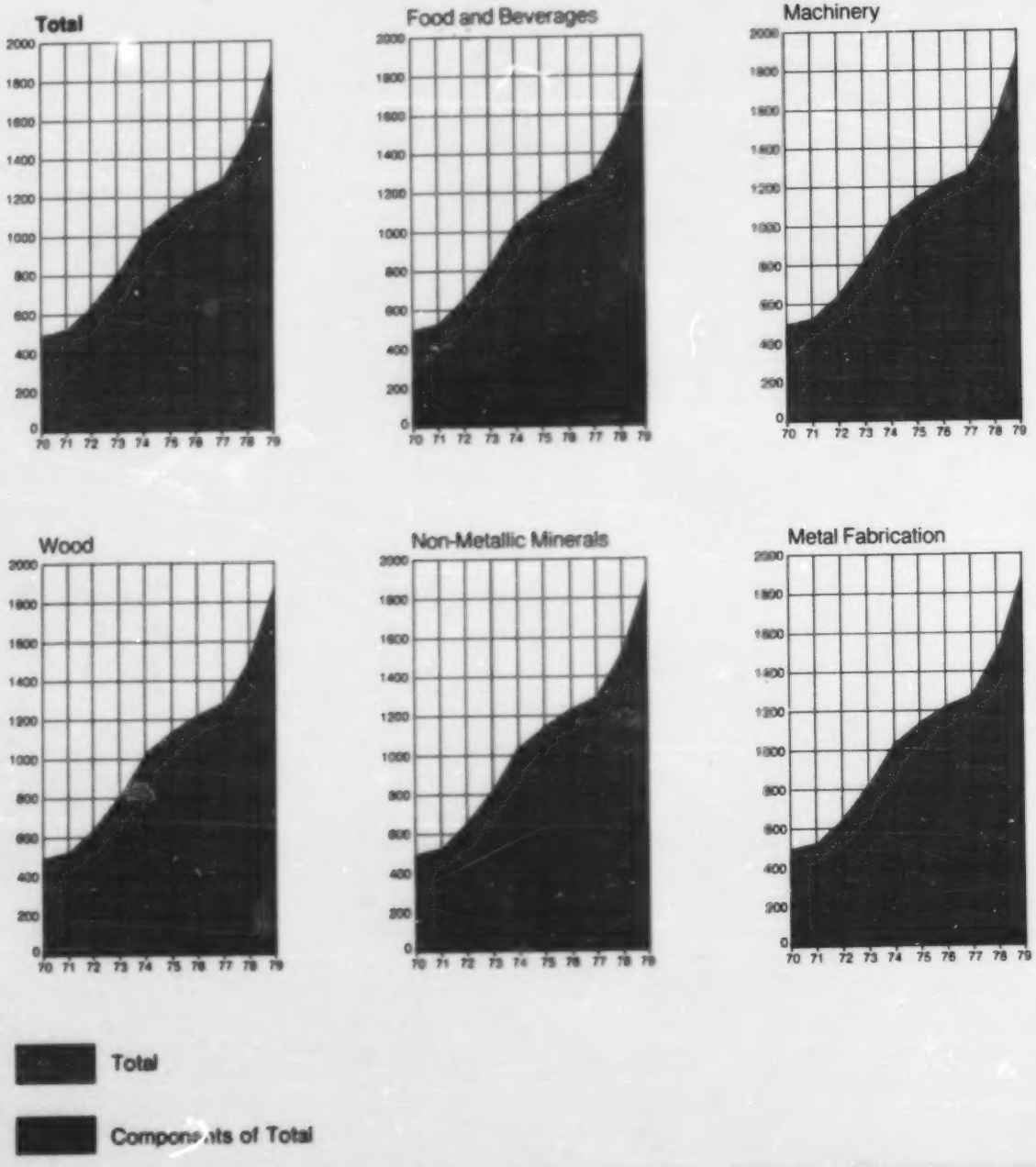
* *Preliminary*

Source: Statistics Canada, General Review of the Mining Industry, and Saskatchewan Mineral Resources.

Note: Components may not add to totals due to rounding.

Value of Manufacturing Shipments, Saskatchewan

(Millions of Dollars)



Value of Manufacturing Shipments, Saskatchewan

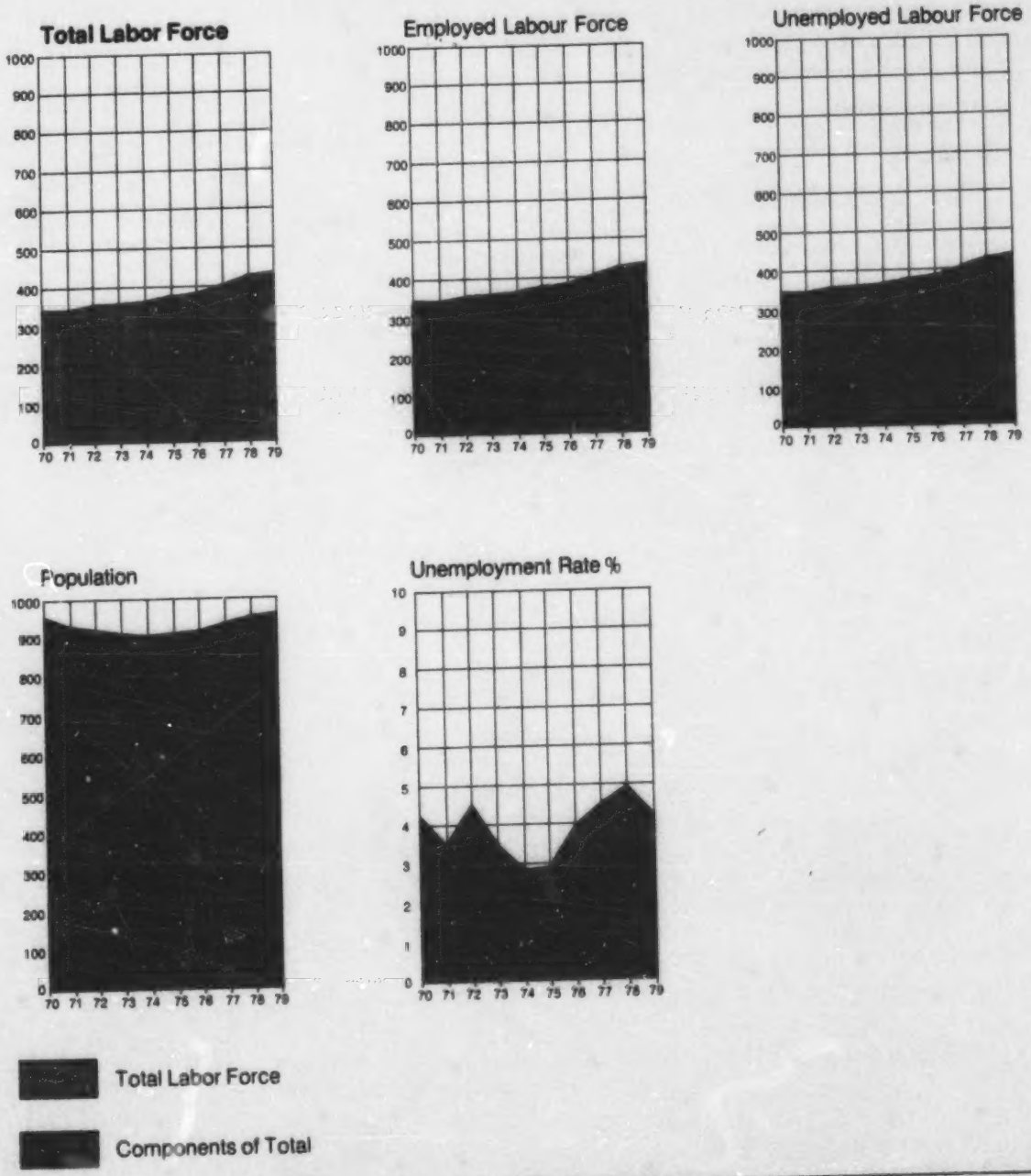
(Millions of Dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Food and Beverage	251.0	259.0	302.3	352.3	445.7	435.1	491.0	485.6	604.5	730.4
Wood	19.7	31.2	43.8	51.6	47.0	62.5	74.9	96.7	112.6	122.1
Printing and Publishing	22.1	23.8	26.0	30.0	35.4	43.9	51.3	56.4	60.9	72.4
Metal Fabrication	20.3	22.4	20.8	26.0	44.2	55.0	55.4	61.9	70.0	83.9
Machinery	9.3	13.4	21.5	30.8	46.4	62.8	71.0	63.6	78.2	117.2
Non-Metallic Mineral Production	17.5	21.0	21.3	31.4	37.7	54.1	77.2	79.4	84.5	107.7
Other	204.7	207.2	210.8	287.5	388.8	463.1	392.5	454.7	508.0	653.7
Total	544.6	578.0	646.5	809.6	1,045.2	1,176.5	1,213.3	1,298.3	1,518.7	1,887.4

Source: Statistics Canada

Population and Labour Force, Saskatchewan

(Thousands*)



Population and Labour Force, Saskatchewan

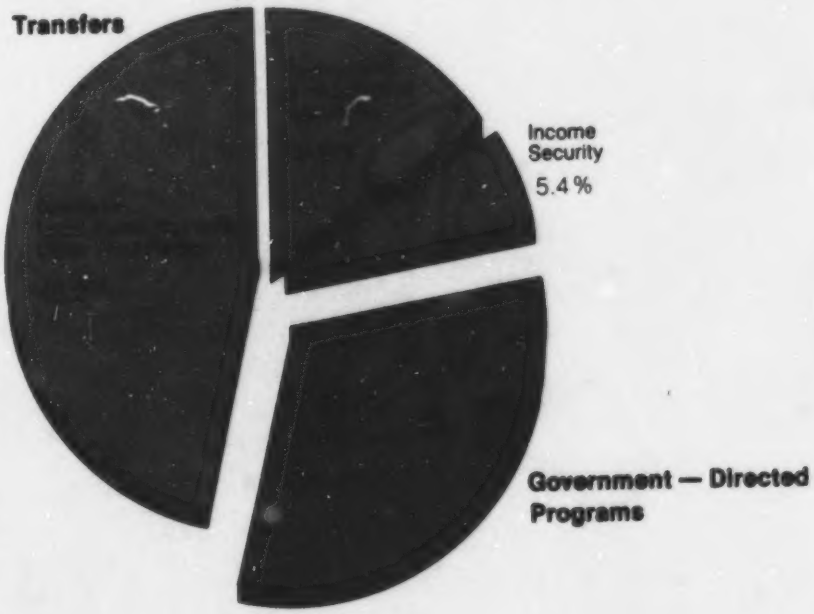
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Population	941	926	914	905	900	907	921	937	948	957
Labour Force	347	346	351	355	360	376	394	410	421	433
Employed Labour Force	333	334	336	343	350	365	378	392	400	415
Unemployed Labour Force	15	12	16	12	10	11	15	18	21	18
Unemployment Rate	4.2%	3.5%	4.4%	3.5%	2.8%	2.9%	3.9%	4.5%	4.9%	4.2%

** Annual Averages*

Source: Statistics Canada, Historical Labour Force Statistics.

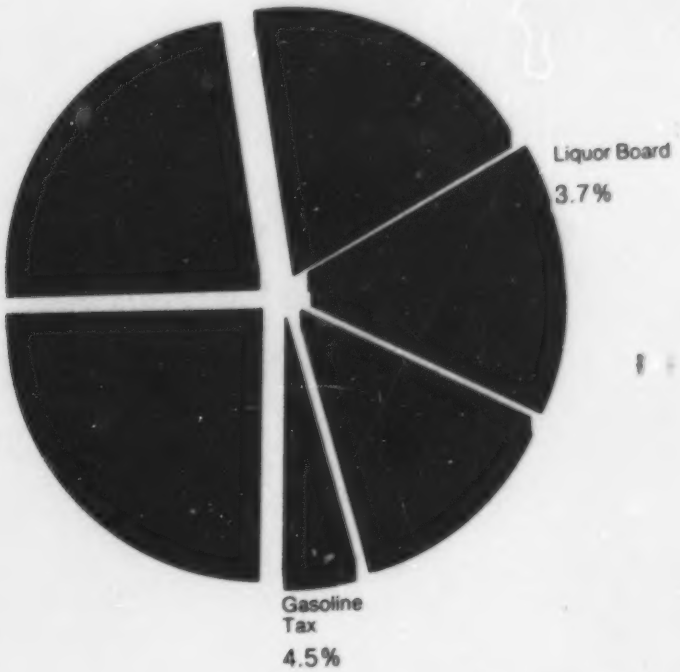
Note: Components may not add to totals due to rounding.

Consolidated Fund
1980-81 Estimated Budgetary Cash Outflows



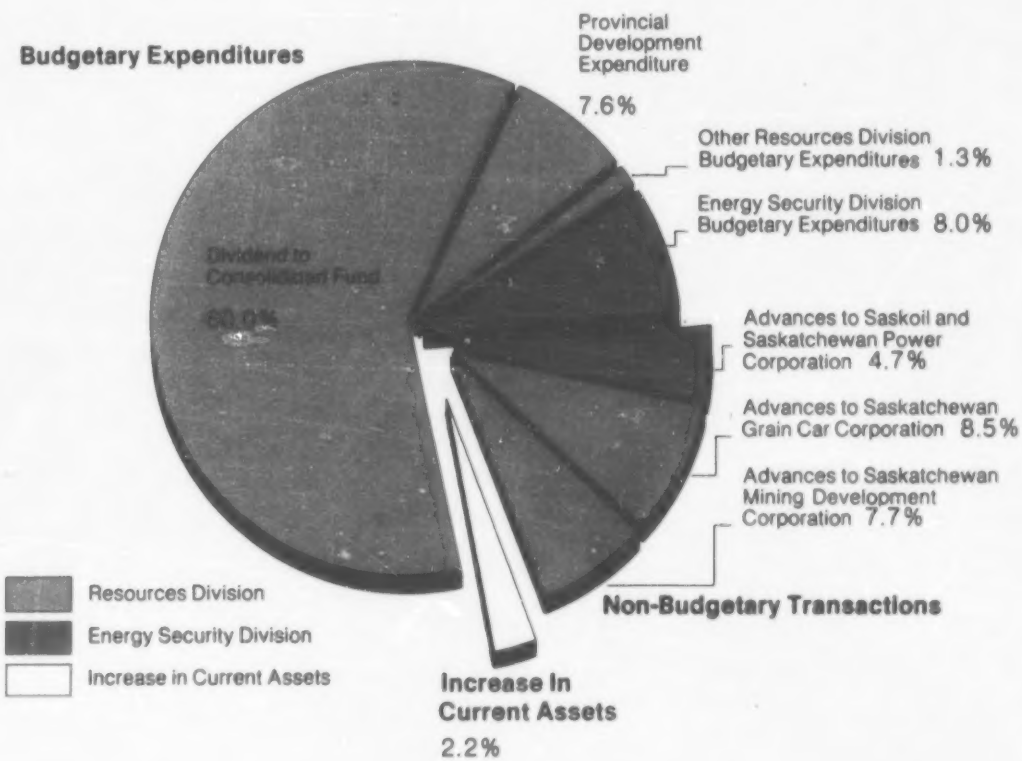
		Amount	Percentage of Total Cash Outflows
Transfers			
Grants to Local Authorities and Other Third Parties	$932,780,250		46.2
Payments to or on Behalf of Individuals	320,077,370		15.9
Income Security	109,429,420		5.4
Total for Transfers		$1,362,287,040	
Government-Directed Programs			
Capital	$146,150,850		7.2
Program Services	509,864,680		25.3
Total for Government-Directed Programs		$ 656,015,530	
Total Estimated Budgetary Cash Outflows		$2,018,302,570	100.0

Consolidated Fund
1980-81 Estimated Budgetary Cash Inflows



		Amount	Percentage of Total Cash Inflows
Sales Taxes		$ 276,500,000	13.7
Gasoline Tax		91,500,000	4.5
Income Taxes			
Individual Income Tax	$366,876,000		
Corporation Income Tax	120,630,000		
Total Income Taxes		$ 487,506,000	24.1
Saskatchewan Heritage Fund Dividend		$ 387,000,000	19.2
Liquor Board		75,000,000	3.7
Other Own Source Revenues		239,346,200	11.9
Receipts From Other Governments			
Equalization Payment	$ 48,765,000		
Established Programs Financing	266,800,000		
Statutory Subsidy	2,137,400		
Federal-Provincial Programs	139,137,000		
Other Receipts From Other Governments	5,653,800		
Total Receipts From Other Governments		$ 462,493,200	22.9
Total Estimated Budgetary Cash Inflows		$2,019,345,400	100.0

Saskatchewan Heritage Fund
1980-81 Estimated Allocation of Budgetary Revenues

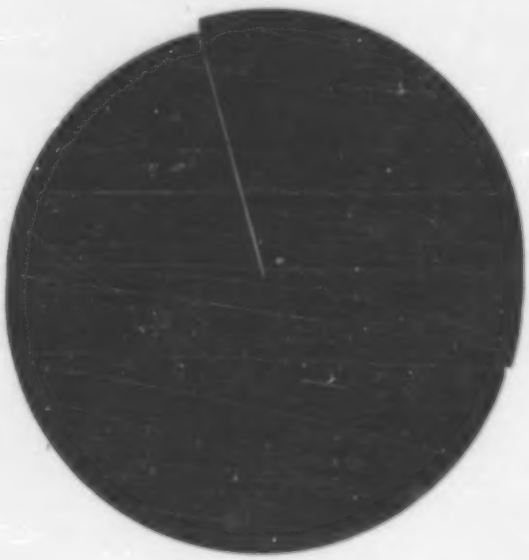

Budgetary Expenditures
Provincial Development Expenditure 7.6%
Other Resources Division Budgetary Expenditures 1.3%
Energy Security Division Budgetary Expenditures 8.0%
Dividend to Consolidated Fund 60.0%
Advances to Saskoil and Saskatchewan Power Corporation 4.7%
Advances to Saskatchewan Grain Car Corporation 8.5%
Advances to Saskatchewan Mining Development Corporation 7.7%
Non-Budgetary Transactions
Resources Division
Energy Security Division
Increase in Current Assets
Increase In Current Assets 2.2%

Saskatchewan Heritage Fund
1980-81 Estimated Allocation of Budgetary Revenues

		Amount	Percentage of Total Revenue
Budgetary Expenditues			
Resources Division			
Dividend to Consolidated Fund	$387,000,000		60.0
Provincial Development Expenditure	49,072,000		7.6
Other Resources Division Expenditures	8,150,000		1.3
Total Resources Division Budgetary Expenditures		$444,222,000	
Energy Security Division			
Grants for Petroleum and Natural Gas Exploration, Conservation and Development	$ 47,000,000		
Other Energy Security Division Expenditures	4,953,000		
Total Energy Security Division Budgetary Expenditures		$ 51,953,000	8.0
Total Budgetary Expenditures		$496,175,000	
Non-Budgetary Transactions			
Resources Division			
Advances to Saskatchewan Grain Car Corporation	$ 55,000,000		8.5
Advances to Saskatchewan Mining Development Corporation	50,000,000		7.7
Total Resources Division Non-Budgetary Transactions		$105,000,000	
Energy Security Division			
Advances to Saskoil	$ 28,800,000		
Advances to Saskatchewan Power Corporation (Net)	1,100,000		
Total Energy Security Division Non-Budgetary Transactions		$ 29,900,000	4.7
Total Non-Budgetary Transactions		$134,900,000	
Increase in Current Assets*		$ 14,454,000	2.2
Total Estimated Budgetary Revenues		$645,529,000	100.0

** The Energy Security Reserve and Environmental Protection Reserve are funded partially from the increase in Current Assets in the 1980-81 fiscal year and partially from current assets accumulated in previous years.*

Saskatchewan Heritage Fund
1980-81 Estimated Budgetary Revenues



		Amount	Percentage of Total Revenue
Oil		$425,130,000	65.8
Potash		191,467,000	29.7
Other Revenues			
Natural Gas	$ 658,000		
Uranium	12,835,000		
Sodium Sulphate	1,126,000		
Coal	6,118,000		
Other Non-Renewable Resources	694,000		
Interest	7,501,000		
Total Other Revenues		$ 28,932,000	4.5
Total Estimated Budgetary Revenues		$645,529,000	100.00

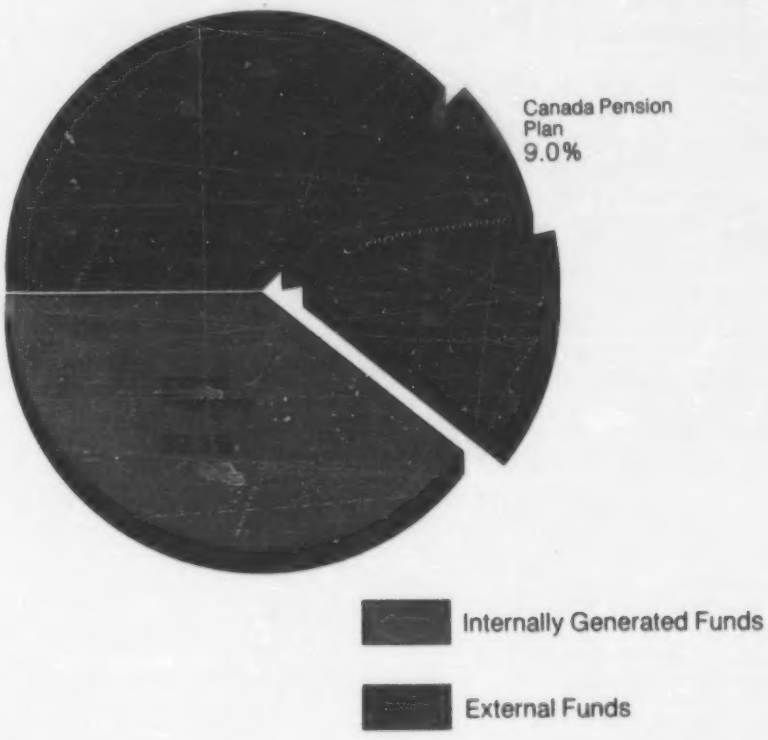
Combined Statement of Budgetary Revenues and Expenditures for the Fiscal Year Ended March 31

(Consolidated Fund and Saskatchewan Heritage Fund)

(Thousands of Dollars)

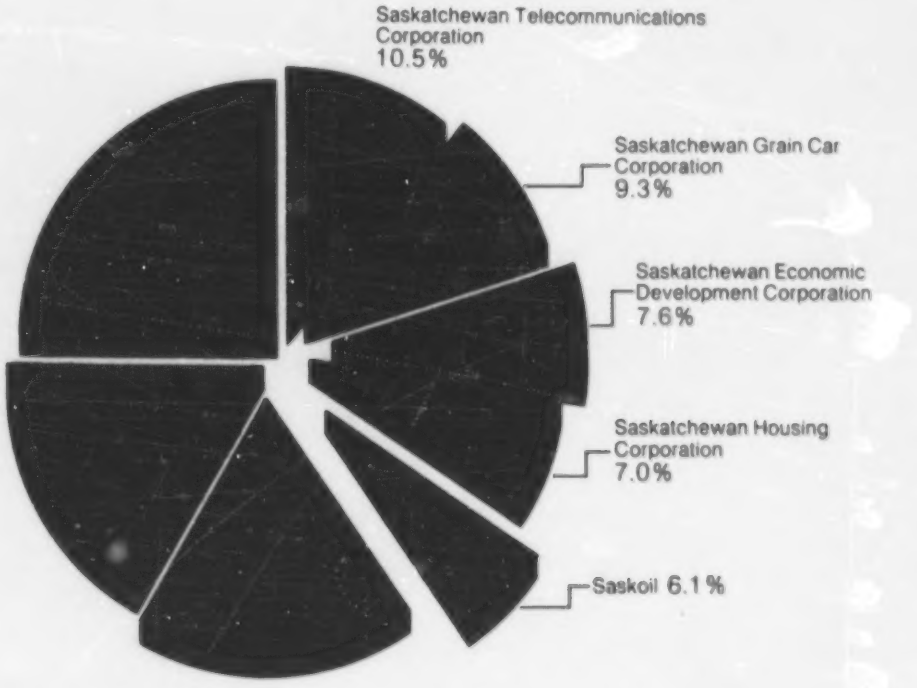
	1975	1976	1977	1978	1979
Combined Budgetary Revenues					
Income Taxes	$ 205,040	$ 266,076	$ 354,916	$ 364,955	$ 408,790
Education and Health Tax	120,703	147,558	169,194	180,077	157,909
Oil and Natural Gas	222,952	194,833	204,142	258,886	350,923
Potash	53,343	107,712	82,108	99,774	139,832
Federal Payments	340,964	330,310	316,085	316,639	369,419
Other Revenues	225,173	261,216	306,315	351,042	381,039
Total Combined Budgetary Revenues	$1,168,175	$1,307,705	$1,432,760	$1,571,373	$1,807,912
Combined Budgetary Expenditures					
Agriculture	$ 57,395	$ 50,352	$ 76,532	$ 46,039	$ 48,907
Attorney General	18,549	23,757	27,539	32,457	38,089
Education	212,910	263,090	316,457	344,643	377,607
Government Services	30,806	40,624	49,774	54,384	50,990
Health	234,853	287,886	335,875	394,132	419,965
Highways	96,760	110,163	123,321	132,425	160,611
Municipal Affairs	86,032	105,985	99,253	109,629	136,322
Northern Saskatchewan	33,559	44,680	55,569	69,570	74,520
Social Services	107,872	138,472	155,188	175,863	194,853
Tourism and Renewable Resources	17,200	19,739	21,233	23,599	25,798
Other	71,998	101,818	124,439	152,193	204,126
Total Combined Budgetary Expenditures	$ 967,934	$1,186,566	$1,385,180	$1,534,934	$1,731,788
Excess of Combined Budgetary Revenues over Combined Budgetary Expenditures	$ 200,241	$ 121,139	$ 47,580	$ 36,439	$ 76,124
Equity Beginning of Year	132,235	332,681	454,194	493,613	531,003
Equity Adjustments	205	374	(8,161)	951	398
Equity End of Year	$ 332,681	$ 454,194	$ 493,613	$ 531,003	$ 607,525

Crown Corporations
Sources of Estimated Gross Financing Requirements, 1980-81



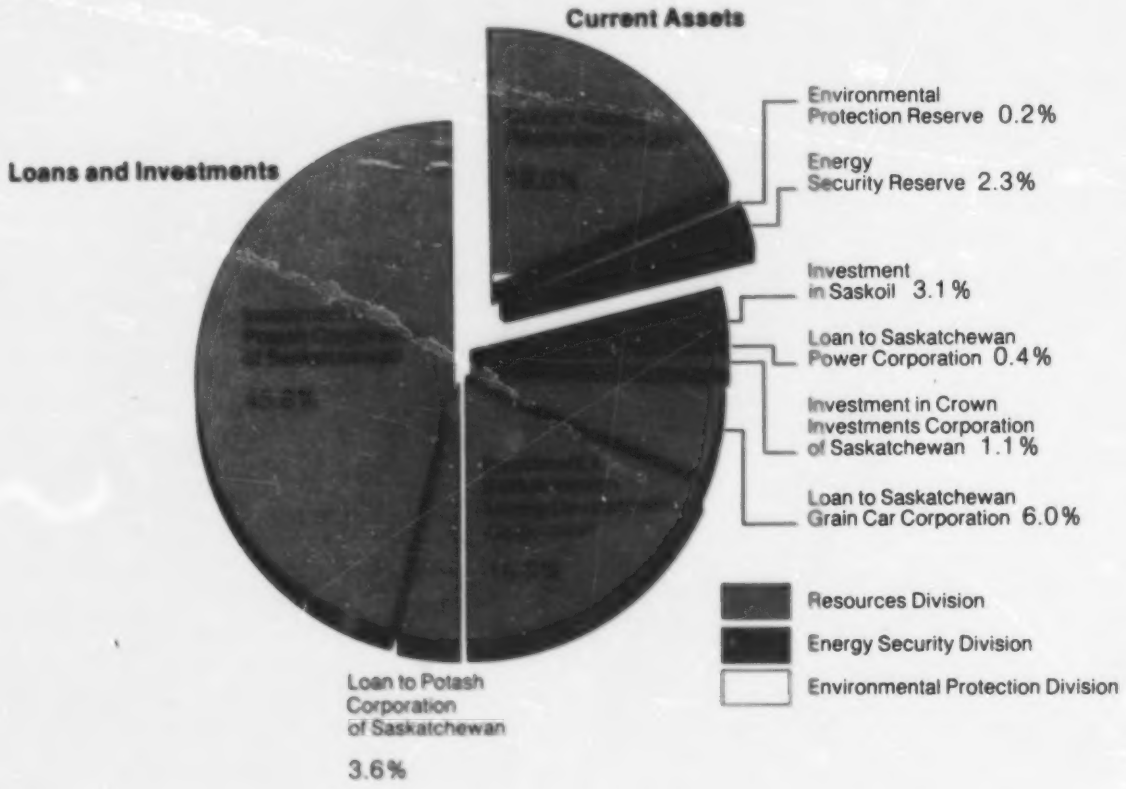
		Amount	Percentage of Gross Financing Requirements
Internally Generated Funds		$382,000,000	39.3
External Funds			
Saskatchewan Heritage Fund	$136,000,000		14.0
Canada Pension Plan Investment Fund	88,000,000		9.0
Capital Markets	366,000,000		37.7
Total for External Funds		590,000,000	
Gross Financing Requirements		$972,000,000	100.00

Crown Corporations
Estimated Net Financing Requirements, 1980-81


Saskatchewan Telecommunications Corporation 10.5%
Saskatchewan Grain Car Corporation 9.3%
Saskatchewan Economic Development Corporation 7.6%
Saskatchewan Housing Corporation 7.0%
Saskoil 6.1%

	Amount	Percentage of Total Net Financing
Saskatchewan Power Corporation	$146,900,000	24.9
Saskatchewan Mining Development Corporation	100,000,000	17.0
Saskatchewan Telecommunications Corporation	62,000,000	10.5
Saskatchewan Grain Car Corporation	55,000,000	9.3
Saskatchewan Economic Development Corporation	44,900,000	7.6
Saskatchewan Housing Corporation	41,300,000	7.0
Saskoil	36,000,000	6.1
Others	103,900,000	17.6
Total Net Financing	$590,000,000	100.0

Saskatchewan Heritage Fund
Estimated Composition of Assets as at March 31, 1981


Current Assets
Loans and Investments
Environmental Protection Reserve 0.2%
Energy Security Reserve 2.3%
Investment in Saskoil 3.1%
Loan to Saskatchewan Power Corporation 0.4%
Investment in Crown Investments Corporation of Saskatchewan 1.1%
Loan to Saskatchewan Grain Car Corporation 6.0%
Loan to Potash Corporation of Saskatchewan
3.6%
Resources Division
Energy Security Division
Environmental Protection Division

Saskatchewan Heritage Fund
Estimated Composition of Assets as at March 31, 1981

(Millions of Dollars)

		Amount	Percentage of Total Assets
Resources Division			
Current			
Cash and Marketable Securities	$ 50.4		
Due from the Consolidated Fund	123.7		
Total Current Assets		$174.1	19.0
Loans to Crown Corporations			
Potash Corporation of Saskatchewan	$ 33.4		3.6
Saskatchewan Grain Car Corporation	55.0		6.0
Total Loans to Crown Corporation		$ 88.4	
Investments in Crown Corporations			
Crown Investments Corporation of Saskatchewan	$ 10.0		1.1
Saskatchewan Mining Development Corporation	168.7		18.5
Potash Corporation of Saskatchewan	418.6		45.8
Total Investments in Crown Corporations		$597.3	
Total Assets Resources Division		$859.8	
Energy Security Division			
Energy Security Reserve			
Cash and Marketable Securities	$ 21.0		2.3
Loans to Crown Corporations			
Saskatchewan Power Corporation	3.7		0.4
Investments in Crown Corporation			
Saskoil	28.8		3.1
Total Assets Energy Security Division		$ 53.5	
Environmental Protection Division			
Environmental Protection Reserve			
Cash and Marketable Securities	$ 2.1		0.2
Total Assets Environmental Protection Division		$ 2.1	
Total Assets Saskatchewan Heritage Fund		$915.4	100.0

Combined Balance Sheet as at March 31
(Consolidated Fund and Saskatchewan Heritage Fund*)

(Thousands of Dollars)

	1975	1976	1977	1978	1979
Assets					
Cash and Investments	$ 250,486	$ 405,529	$ 286,382	$ 138,415	$ 142,073
Working Capital Advances	45,086	62,389	75,946	82,982	107,509
Sinking Funds (Exclusive of Crown Corporation's Share)	4,709	5,580	10,764	12,404	14,220
Loans to and Investments in Crown Corporations	919,620	1,022,093	1,610,824	2,051,199	2,463,089
Other Loans and Investments	46,680	47,665	33,602	31,597	28,223
Total Assets	$1,266,581	$1,543,256	$2,017,518	$2,316,597	$2,755,114
Liabilities					
Funded Debt	$ 860,625	$ 957,640	$1,425,603	$1,640,580	$2,032,213
Treasury Bills	29,143	27,881	26,612	77,337	77,337
Due to Other Funds	44,132	103,541	71,690	67,677	38,039
Total Liabilities	$ 933,900	$1,089,062	$1,523,905	$1,785,594	$2,147,589
Province's Equity in Consolidated Fund and Saskatchewan Heritage Fund	$ 332,681	$ 454,194	$ 493,613	$ 531,003	$ 607,525
Total Liabilities and Province's Equity in Consolidated Fund and Saskatchewan Heritage Fund	$1,266,581	$1,543,256	$2,017,518	$2,316,597	$2,755,114

** The Energy and Resource Development Fund is included in this statement for the years 1975-1978. The assets of The Energy and Resource Development Fund were transferred to the Saskatchewan Heritage Fund on April 1, 1978.*

Saskatchewan Heritage Fund*
Assets as at March 31

(Thousands of Dollars)

1975	1976	1977	1978	1979**	1980 revised estimate	1981 estimate
108,354	278,458	349,545	429,116	603,937	765,905	915,359

* The assets of the Energy and Resource Development Fund are included in the statements for the years 1975-78.

** The Energy and Resource Development Fund was superseded by the Heritage Fund, effective April 1, 1978. All assets were transferred to the Heritage Fund.

Province of Saskatchewan
Resource Revenues for the Fiscal Year Ended March 31

(Thousands of Dollars)

Fiscal Year	Oil	Potash	Other	Total
1971	27,801	2,465	2,295	32,561
1972	28,065	3,241	1,486	32,792
1973	28,941	6,100	1,513	36,554
1974	45,484	10,777	2,931	59,192
1975	223,093	53,343	4,071	280,507
1976	193,973	107,712	3,967	305,652
1977	203,325	82,108	3,348	288,781
1978	258,186	99,774	7,654	365,614
1979	350,316	139,832	9,308	499,456
1980 (Revised Estimate)	392,481	160,843	17,344	570,668
1981 (Estimate)	425,130	191,467	21,431	638,028

Total Debt of the Province

(Thousands of Dollars)

	Mar. 31 1975	Mar. 31 1976	Mar. 31 1977	Mar. 31 1978	Mar. 31 1979	Dec. 31 1979
Funded Debt						
Government Portion	$ 26,552	$ 28,292	$ 28,292	$ 28,292	83,292	$ 38,100
Crown Corporation Portion*	820,857	917,361	1,338,171	1,604,725	1,942,066	2,071,958
Other**	13,216	11,987	9,140	7,563	6,855	6,207
Plus — **Treasury Bills**						
Government Portion	16,651	15,439	14,222	65,000	65,000	166,500
Crown Corporation Portion*	12,492	12,442	12,390	12,337	12,337	12,274
Gross Debt	$889,768	$ 985,521	$1,452,215	$1,717,917	$2,109,550	$2,295,039
Less — **Sinking Funds**						
Government Portion	$ 7,896	$ 9,232	$ 10,791	$ 12,459	$ 14,307	$ 13,550
Crown Corporation Portion	152,848	155,873	173,756	187,679	215,299	191,181
	$160,744	$165,105	$ 184,547	$ 200,138	$ 229,606	$ 204,731
	$729,024	$820,416	$1,267,668	$1,517,779	$1,879,944	$2,090,306
Plus — **Guaranteed Debt**	86,669	86,396	101,469	97,054	108,004	142,417***
Total Debt of the Province	$815,693	$906,812	$1,369,137	$1,614,833	$1,987,948	$2,232,725

* *These enterprises are charged with all debt service costs.*

** *These obligations represent monies loaned to the Province by the federal government with the understanding that the money would be re-loaned to Saskatchewan municipalities under identical terms and conditions.*

*** *Estimate.*

Gross Debt By Allocation

	Gross Debt December 31, 1979
Reimbursable Debt	
Crown Investments Corporation	$ 176,262,800
Saskatchewan Power Corporation	939,036,182
Saskatchewan Telecommunications	445,050,104
Saskatchewan Housing Corporation	147,025,000
Saskatchewan Water Supply Board	14,876,000
Saskatchewan Land Bank Commission	109,936,000
FarmStart	74,292,000
Saskatchewan Economic Development Corporation	60,147,200
Potash Corporation of Saskatchewan	75,000,000
Saskoil	25,000,000
Federal-Provincial Winter Capital Projects Fund	1,194,822
Municipal Development Loan Fund	5,011,773
Total Reimbursable Debt	$2,072,831,881
Non-Reimbursable Debt	
Government of Saskatchewan	$ 207,617,000
Saskatchewan Universities Commission	14,590,000
Total Non-Reimbursable Debt	$ 222,207,000
	$2,295,038,881
Reimbursable Debt Share	90.3%
Non-Reimbursable Debt Share	9.7%
	100.0%

Province of Saskatchewan
Financial Indicators

	1975	1976	1977	1978	1979
Total Debt of the Province					
Per Capita	$899	$984	$1,461	$1,703	$2,077
As a percentage of Combined Budgetary Revenues	70%	69%	96%	103%	110%
As a percentage of Saskatchewan Gross Domestic Product*	11%	12%	16%	17%	18%
Interest Payments on the Government Portion of Total Debt of the Province					
As a percentage of Combined Budgetary Revenues	0.3%	0.2%	0.3%	0.5%	1.0%

**Gross Domestic Product source Saskatchewan Bureau of Statistics.*